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MARION N. KERSHNER

...from the executive vice-president

Report to the Membership

The Role of Industrial Management in America's cold war with Russia cannot be overemphasized in this time of political unrest around the world. Politicians, statesmen, religious leaders and others may do all in their power but unless the U. S. industrial team carries its share the battle cannot be won.

Russia's avowed aim to outproduce the United States in almost every essential item ("Let's Start Winning," page 4) is approaching reality in many fields. As her productivity increases, the American production team is faced with the direct challenge of bringing its own standards and rate higher and higher, not only to meet Russia's challenge but to keep our own economy on a sound footing for the future.

• • •

The part you play as a member of the management team is one of leadership—and this comes as no surprise, I'm sure. It has been a long, long time since any other type of management has done much good for any company operating in this country. The fact is, though, that we still can improve our leadership techniques even more than we have, and this, along with increased application to the job at hand, will help us achieve the stepped-up productivity needed to stalemate Russia's bid for world domination.

There are those who will ridicule the whole idea that we should strive for greater productivity, but the fact is that they—for the most part—are shortsighted people. They will point to our horde of un-

(Continued on page 66)

Manage



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Management Representative: Are foremen really representatives of management? If so, how? and if not, why not? Turn to Page 50

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ON THE COVER

Two blowing 22-ton Bessemer converters in Birmingham, Ala., pre-refine molten iron, to shorten heat-time for open hearth steel production. Manage salutes the Steel Industry beginning on page 34.

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CIRCULATION THIS ISSUE: OVER 70,000. DOMESTIC AND FOREIGN.

LET'S START WINNING

... if we don't want to lose the cold war to Russia's team, we'll have to start winning.

If we are losing the cold war to the Soviets, and there are indications that we are, we can't take time out to start looking around for someone to blame. There are as many axes to grind as there are players and there are as many right and wrong decisions being made as there are coaches.

We don't dare forget that Russia's stated goal is *to dominate the world*, by whatever means is most expedient. They care nothing about profit or loss. Russia's only concern is to disrupt Western economy.

When we consider the steel industry, backbone of American economy, we find that Russian blast furnaces are at least 50 percent better than ours, open hearths are at least 30 percent more productive than ours, and more to the point is the fact that open hearth operations, here in the U. S., are now being rebuilt in accordance with those seen and studied by American observers who recently visited Russia.

"The fundamental goal of Russia of devastating the world is still prevalent," according to George Sullivan, editor of IRON AGE magazine, who toured Russia with the American observers. Reporting to a group of Midwest industrialists, Sullivan stated, "Khrushchev doesn't need a war to take his peoples' minds off their domestic problems; they are already on a war footing economically; and, at the present rate, the Reds are making remarkable progress in taking over the world. Unless we stop them they can win without firing a single missile at us."

It has been expressed by several enlightened people that perhaps we are dancing to Khrushchev's tune. The phrases used may vary, but the "dancing to Khrushchev's tune," was the one used by a team of Spanish training directors which recently visited NMA officers in Dayton.

The feeling of this group strongly emphasized that America was losing prestige overseas, because, "you are answering to Khrushchev . . . and not telling him (making him do the answering)."

Reports issued by various study groups continue to tell us of the failure of Russia to out-produce the U. S. These statistics have a

distinct tendency to make us complacent and carefree. What the statistics don't show is that the Russian war-economy doesn't demand the products and services that our society demands and receives. The Reds don't have to match our production figures.

Reports coming back from the Soviet also indicate that as a people the Russians are a friendly lot. Unfortunately the people, under the Soviet system, do not make policy, nor are they in any way representative of their government's leadership. We must still carry on our international relationships with the Kremlin.

Former President Herbert Hoover remarked at a recent gathering that Americans still possess the unity vital to national health, or words to that effect. However true these words may be, it behooves us to display this unity from day to day, not reserve it for a crisis. It seems to us that there are some basic areas that need consideration, serious consideration.

Increasingly we see new equipment . . . from generating plants and machine tools to sewing machines . . . coming from abroad because American counterparts are, by comparison, too expensive and lack in quality. This is to be expected particularly when our labor costs far exceed those of other industrial nations . . . with the continuing threat that they will go even higher.

Certainly the inequities in our existing tax structure need some overhauling. Elimination of these inequities would induce new investments in capital goods. Present allowable depreciation rates are such that they force businessmen to borrow money merely to stay in business rather than replace 15 to 30-year old equipment. Results of these inadequate depreciation allowances show up in the following example: In 1958 America's machine tool industry produced 34,000 machine tools, while Russia produced 140,000!

Economic experts throughout the country point out that these two areas of concern are strong contributing factors to inflation. Reason is that more and more capital is being withdrawn and placed in European markets. Actually, one of these experts claims that, "The cost of reproduction of the American industrial plant in 1948 was 68 percent above the weighted original cost!" The ratio today is even greater.

These situations constitute a very definite threat to our economic stability. Furthermore, the blame for these contributions can't be placed in the lap of any particular group. However carefully we may evaluate the other team's forces, in this case Russia, the time has come . . . or may have passed . . . for us to make some definite decisions and move quickly. Let's start winning this cold war.



Washington Report

. . . . for supervisors

by Michael S. Roberts

LABOR BILL: A LEGISLATIVE MOUSE

Final version of this year's explosive labor reform bill will be tougher than the compromise Senate-passed version. But it will still be far short of what is demanded by President Eisenhower and labor racket-busting Sen. John L. McClellan.

House labor chief Graham A. Barden, (D.), N. C., chairman of the House Labor Committee, may try to kill the measure as he did last year by sitting on it. He wants an extremely tough measure; he can't get it. He probably won't be able to block passage either. House Democratic leader Sam Rayburn, Tex., wants a bill passed. The outcome will be some further tightening. But there'll be no amendments that will substantially lessen the shortcomings of the Senate measure.

The bill will move slowly from now on. Barden is just now winding up his hearings. His committee won't report a measure until mid-June or later. It'll be near the end of the session before a bill is finally cleared for the President.

Many impartial observers are convinced the bill is practically useless and amounts to a hoax, particularly on dues-paying union members. It will do a few of the things claimed for it. But it will cost the taxpayers without commensurate benefits and will

block for years any serious attempt to pass needed legislation.

Beneath the pious, clever orations, on both sides of the reform fight, lies an almost shocking example of the deteriorating moral fiber of elected officials, and its replacement by a new political faith, worshipping at the public relations shrine. Without regard to the merits or demerits of specific provisions, it's a "legislative mouse," one congressional leader privately admits.

Senate passage was marked by political sleight-of-hand on both sides. After the bill passed, conscience-salving was in order. Congressional cloakroom sages rationalized that specific provisions weren't important anyway; what matters is that it's the first time the federal government has stepped into the internal affairs of organized labor. Failure to support Sen. McClellan was brushed aside with the complaint that the Arkansas Democrat was "brainwashed" -by more conservative forces favoring union-busting legislation and sold on the idea tough reform would win him votes from his Southern constituents.

The Kennedy bill pleases neither unions nor management. It's a fire extinguisher to help punish union misdeeds, but not prevent or help uncover them. A disgusted Sen. McClellan is threatening to disband his investigating committee; local police won't have any new power to help them; members of the few racket-riddled unions won't be any less afraid to blow the whistle on corruption. Uncovering and bringing to task union corruption and misuse of power is still unsolved by the Kennedy bill.

☐ THERE ARE MANY SHORTCOMINGS

The list of shortcomings is long. It doesn't correct abuses of secondary boycotts which plague management, nor touch the evil practices of blackmail picketing. It requires public financial and administrative reports to the government by unions and their officers on assets, liabilities, receipts, salaries, payments and loans. But it provides neither machinery nor money for evaluating these reports. (Last year, union pension and welfare reports were required in a

new law, but out of an estimated 250,000 to 500,000 funds affected, only 150,000 complied and the government has no method of finding out which are missing.)

The bill prohibits bribes, kickbacks, embezzlement and conversion of union funds. These activities are already illegal under regular criminal laws. The Labor Secretary is given subpoena and injunction powers to help enforce these publications when someone else uncovers them.

The so-called "no-man's-land" in bargaining regulation is ostensibly covered by giving state agencies power when the NLRB refuses jurisdiction. But it doesn't give state courts authority to enforce.

The compromise "bill of rights" has only nominal meaning. It fails to give union members, who want to run for office, a legal right to membership lists, as the original McClellan bill of rights did. There is no protection against unreasonable union initiation fees. A union member is put entirely on his own in trying to sue for enforcement of his civil rights—he must match his financial resources against a union's treasury.

Management took some licks in the final measure. Noncommunist affidavits are required from management when the NLRB is used. Financial reports in some cases are required from management. Some types of management communication with employees are under a legal cloud.

Foremen and supervisors were among the few winners. A provision of the original Kennedy bill, which would have made them subject to collective bargaining in many cases, was removed from the bill.

DEPRECIATION REFORM LIKELY IN 1960

There's a good chance that business and personal taxes will be a little lower after 1960. These reductions will come in reforms of present tax tangle, not in straight-out tax rate cuts.

Congressional tax boss Wilbur Mills, (D.), Ark., chairman of the all-powerful House Ways and Means Committee, is planning to begin early this summer reviewing the entire tax structure. By sometime

next spring, he'll be ready with a massive tax reform bill.

One of the principal problems facing Congress in tax reform is revising present depreciation laws.

That they're inadequate, unrealistic, and outdated is admitted by almost everyone, including Rep. Mills. A year ago, the Treasury Department tried to bring its Bulletin F (recommended useful lives table) up to date to help out. But after a year of study by a joint government-industry committee, the Department concluded that nothing it could do under present laws would solve the puzzle.

A leading candidate in this depreciation reform sweepstakes is a bill introduced by Reps. A. S. Herlong, Jr., (D.), Fla., and Howard Baker, (R.), Tenn.

This measure is fairly all-inclusive. It would cut personal and business taxes in graduated five-year steps so that top rate on both would be 47 percent.

In depreciation, the measure (H.R. 3000 and 3001) would supplant Bulletin F by substituting six broad classifications of depreciable property to measure taxable useful lives in terms of actual average experience of plants. The useful lives would be shortened over five years. At the end of this period, in most cases, an increase of one-third, would result in tax depreciation allowances on top of present allowances.

This would save some \$3 billion in company taxes over the five years, and some \$300 million a year after that. This, of course, would help boost funds available for firms—both corporate and unincorporated—to invest in new, up-to-date, machine tools and equipment.

Sponsors of the measure point out that in recent years, corporate profits have been overstated because of inflation and because depreciation must now be computed in dollars of original investment, instead of replacement costs. The Herlong-Baker proposal would also provide for rapidly changing equipment technology which often makes a machine economically obsolete before it is worn out.

Letters to the editor

Request Granted

Dear Sir:

Would like to know if you have tear sheets or reprints on the following articles, one (1) copy or set of each:

1. "Supervising Women" by A. C. Kendall, this appeared in the January, 1958, issue of *MANAGE*, page 10.

2. Also "Executive Selection," by Stuart Smith, February, 1959, issue of *MANAGE*, page 15.

If the enclosed can be granted, it would be greatly appreciated . . . *John Hartig, Tallmadge, Ohio*

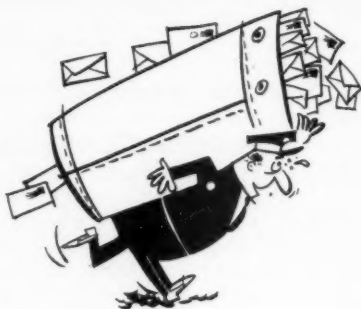
Dear Sir:

As a former editor of *THE FOREMAN'S DIGEST* I probably review publications for foremen and supervisors with a more critical eye than does the casual reader.

MANAGE has been doing an excellent job, and I'm inclined to the opinion that your April issue was just about perfect. It is chockful of fine material, and what you aim at the foreman doesn't miss the target.

It is nice to observe that you have been enlarging your publication while maintaining or improving the quality of the articles.

Congratulations, sir! You now seem to have outdistanced all of your specific competitors. . . . *George J. Brenn, Maplewood, N. J.*



Dear Sir:

A late thanks to you for use of our plant photograph on the cover of *MANAGE* (Mar., '59). We liked it! . . . *D. L. Robertson, Ethyl Corp., Baton Rouge.*

Dear Sir:

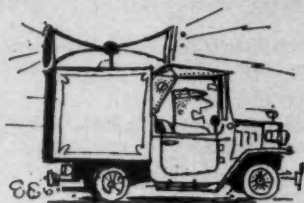
Congratulations on a very fine and timely editorial (*Humanity vs Space*) in your March issue. We humans are the "funniest people," and we laugh at the cow who thought the grass was greener in the next pasture. Space is well off without us, at the moment. Until we can change our own attitudes and desires, eliminate some of our sore spots, we had best do our homework before taking on new worlds to conquer. . . . *P. C. L., Inland Steel Co., Wheelwright, Ky.*

Dear Sir:

Thank you for the recent medical articles in *MANAGE*. These and the other features are stimulating and up-to-date. I'm happy to be on your magazine's subscription list. . . . *Donald H. Robinson, M. D., Corte Madera, Calif.*

News Briefs

By LES SIMON



Sales Incentive

Hospitality . . . the key to a successful sales incentive trip. The Gibson Refrigerator Co., an affiliate of The National Management Association, has just completed the signing of a joint contract with Eastern and United Airlines that will provide transportation for the largest air lift ever made into Puerto Rico.

Four thousand Gibson dealers, distributors, and salesmen will make the trip to San Juan during September of this year. These free trips are being given by Gibson as awards for top sales performances.

Sales incentive has played an important part in Gibson's growth. The plan's success is shown by the 84 per cent increase in sales of the 1959 models over last year.

Airlift to Greenland Icecap

World's largest ski-planes, the Ski-130, will be landing on the Greenland Icecap at altitudes ranging to 10,000 feet. These Tactical Air Command training operations are being carried out from April to October.

This project will involve airlift of supplies and construction equipment

for the eastern extension of the DEW Line. Lockheed Aircraft Corp., Georgia Division, will be modifying the prop-jet transports for this mission. Operational headquarters will be located at Sondrestrom Air Base in West Central Greenland.

TAC disclosed that the operation will be one of the most difficult since its troop carrier aircraft flew DEW Line support missions.

Associations Listed

A total of 8,892 national organizations are listed in the newly revised reference directory, **ENCYCLOPEDIA OF AMERICAN ASSOCIATIONS**, second edition, just published by Gale Research Co., 3413 Book Tower, Detroit 26, Mich.

Grouped in 18 basic sections, including 3,000 not listed in the first edition (1956) are national associations, societies, federations, unions and other non-profit membership organizations.

Traffic Predictions Help Business

Tonight, from eight until nine o'clock, how many telephone calls will be made? How many persons

will arrive by plane in New York? How many persons will shop in downtown stores?

By predicting this sort of information statisticians are helping to cut costs and improve services for business and government, according to Dr. Charles Kraft, assistant professor of physics at Michigan State Univ.

This is the gist of the Queue theory which, he explains, "assumes that arrivals of phone calls at a switchboard, ships in a port, cars on a bridge or customers in a store will be given on a random basis. After noting the frequency of arrivals during given intervals, a statistician can apply the theory of queues to predict the number of arrivals at certain times as well as the facilities and the number of employees that will be needed."

Dr. Kraft believes this could be of value for some small businesses, such as restaurants, to apply the theory to their operations.

Industrial Participation

Preliminary results of a study by the Atomic Energy Commission show that, in 1957, factory shipments of certain key atomic energy products produced in privately-owned plants, amounted to about \$100 million. This survey is the most extensive yet made on private industry's participation in the atomic energy field.

Shipments of radiation detection and monitoring devices accounted for the major portion and amounted

to more than \$16 million. Shipment of reactor vessels and tanks totaled more than \$10 million.



Need a New Muffler?

Up to now, automotive mufflers have been made of a mild steel which has lasted, on the average, about 15,000 miles, or one and a half years.

Pictured here is a new stainless steel muffler currently being tested on a number of different automobiles throughout the country. This stainless steel muffler would last the life of the car and uses Type 430 stainless as supplied by Allegheny Ludlum Steel Corp.

Building Costs Up

In the past year, the price of a new home has been raised two or three percent by higher labor and material costs. Rising land values have added another one to two per-

cent. The outlook is for much the same rate of increase for 1959. Because old homes, used for trade-ins, are still averaging the same return as a year ago, it is debatable how much longer the market can withstand these increases.

More Tourists in U. S.

More and more tourists are coming to see America on pleasure visits. They are adding nearly \$800 million a year to our national coffers. Sensing a trend, airlines and travel companies are promoting America as a tourist attraction. Top attractions for foreign visitors are Niagara Falls and Detroit's automobile assembly lines!

Three Dimensional Inspection

At Timken Roller Bearing they know that on-the-job-training of inspectors ordinarily takes two weeks. During that time the trainee seldom has the opportunity to see all the maximum passable defects of a part. This problem of maintaining standards for their visual inspectors has been solved through the use of three dimensional viewers.

Samples of component parts of the bearings, cups, cones, cages and rollers, carefully selected for their maximum passable defects, are photographed in 3-D. Positive transparencies are stripped into a continuous roll for the viewers. These viewers



are sent to all plants and are used by inspectors for training purposes and for quick reference.

Sets of standard samples that show all the possible defects are difficult to obtain. Once selected they rust, discolor or can be misplaced, and the selection of samples must be done all over again. With the viewer all trainees in all plants can be shown one set of standard samples.

Gain In Productivity

A nine percent gain in productivity was shown in a recent government survey by the use of air-conditioning in government and private office buildings.

The survey extended over a five-month period, May through September, involving 140 employees divided into two groups, each closely comparable in age, experience and duties, and working in areas with identical facilities, lighting, and wall-color. The only difference in the work area was that one office was air-conditioned and the other was not.

In addition to its nine percent greater productivity, the group in air-conditioned quarters made 0.9 percent fewer errors, had a 2.5 percent lower rate of absenteeism, reported lower expenditures for cleaning clothes and cosmetics, and showed higher morale.

William Bynum, president of the Carrier Corp., stated that "even if this improved productivity were to apply only during the three summer months alone, the advantage is

enough to cover the air-conditioning cost and then some."

Weed Clean-up

A new method for cleaning up aquatic weeds in water ponds has been announced by The Dow Chemical Co. The new method involves the use of Kuron, effective in controlling a wide variety of aquatic weeds such as water milfoil, fanwort, bladderwort and waterweed that often infest ponds and reduce circulation. Spray concentrations of Kuron involve no hazard to humans and are not corrosive. The chemical is effective in controlling aquatic weeds at rates as low as two parts per million, leaving a substantial margin of safety to fish and to wild animals that may drink the water.

1. It should not be used in live-stock watering ponds and
2. It cannot give best results when applied in flowing water.

The chemical is first diluted with pond water in the spray tank and then applied over the pond surface as a coarse spray. Treatments are best made during early summer.

New Odorless Deodorant

An odorless deodorant that will kill odors in markets, manufacturing and processing plants of different types is being supplied by the National Cylinder Gas Div. of Chemetron Corp., Chicago.

The new deodorant can be circulated in the air of factories and offices. It can be mixed with wash-water to scour odor-catching corners.

Labor Reform Bill

Strongly Denounced

Rep. Richard M. Simpson (R-Pa.), Chairman of the Republican Congressional Committee, had declared that the Senate-passed labor reform bill falls far short of America's needs and must be corrected in the House "if we are to escape the consequences of outlaw unionism."

Congressman Simpson coupled his criticism of the legislation with a strong denunciation of Sen. John F. Kennedy (D-Mass.), one of the original sponsors of the much-amended Senate bill.

Took No Action

Speaking to the annual convention banquet of the Florida State Young Republicans at the Colonial Inn, St. Petersburg Beach, Mr. Simpson took note of the fact that Kennedy had berated the Republicans for failing to take bold action on the legislative front.

"This is curious indeed, coming as it did from a member of the Senate who tried to put over on the American people the weakest excuse for a labor reform bill the Congress has ever seen," he added.

No Reform At All

"The Kennedy Bill, as originally proposed, was no labor reform measure at all. It was a measure that could be passed without irritating any of

the union bosses and still give Kennedy and his supporters the privilege of saying they put through legislation to correct labor union abuses.

"It was a complete sham and was exposed as such when the Senate insisted on at least a modified 'bill of rights' to protect the American workers."

"I submit that Senator Kennedy's performance on this critical issue is a sad commentary on the career of a Senator who once authored a book entitled 'Profiles of Courage.' Far from being an example of courage in the face of violence, thuggery and embezzlement, the Kennedy labor bill was a monument to political expediency. It was the work of a young man who is determined to win the Democrat Presidential nomination and wants the help of all elements of organized labor to do it."

Thanks to amendments voted by the Senate, Congressman Simpson said, the labor reform measure is much stronger than Senator Kennedy wanted it to be but still does not include provisions which are needed to protect the general public and the rank-and-file union members.

What About Secondary Boycott?

"It still does not make unions subject to our anti-monopoly laws," he added. "Nor does it outlaw the

onerous 'secondary boycott' or the blackmail picketing practices which continue to plague thousands of workers and hundreds of business firms.

"This is a lack which we Republicans in the House shall do everything in our power to correct when the bill comes before us."

Need Shift of Emphasis

Congressman Simpson also attacked Democrat attempts to increase government spending programs. He singled out particularly a measure sponsored by Senators Kennedy, Hubert Humphrey (D-Minn.) and John W. Fulbright (D-Ark.) to shift the emphasis on foreign aid from military to economic and increase the funds by about \$4 billion in the next 5 years.

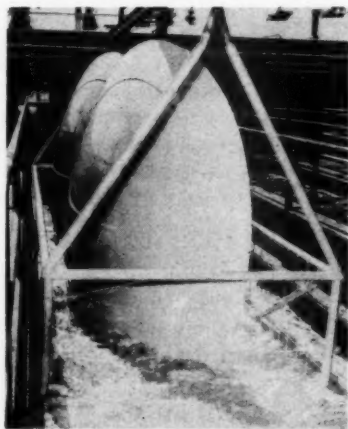
"We already have spent some \$80 billion to aid and assist foreign nations since 1945. The amount requested in the President's budget is \$3.9 billion and many people believe this is too high. That amount is more than all the taxes paid in 1958 by 44 of the nation's largest industrial concerns.

"If this nation is to remain the bulwark of the free world, it must be sound and solvent. Everything depends upon the fiscal integrity of our society, for without that all the weapons we use in the cause of peace—our diplomacy, our military strength, our economic ability—will become blunted and useless."

Display New Techniques

NEW TECHNIQUES for the precise removal of excess metal by chemical milling instead of conventional machining were recently demonstrated to 17 representatives of the Industrial College of the Armed Forces by the United States Chemical Milling Corp., world's largest producer of chemically milled parts for military and industrial applications.

The visit to USCM by selected senior officers of the military services and Chief executives of governmental civilian agencies was one phase of a 10-month course of instruction in the management techniques, production methods, manufacturing proc-



One of the largest spun parts, to be chemically milled to close tolerances, is this bulkhead for a missile.

esses and products of companies who are contributing to the national defense effort.

The Industrial College of the Armed Forces is the only senior military educational institution which devotes itself to the study of the economic capability of nations in relation to their political and military powers.

In welcoming the study group to USCM, President Charles H. Lundquist emphasized the importance of weight reduction in the construction of today's supersonic aircraft and space penetrating missiles and satellites. He stressed that ounces were important and pounds critical.

Chemical milling, he pointed out, was the only means by which many of the new "exotic" metals used in the fabrication of current airborne vehicles could be machined economically.

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Electronics Controls Navy's Supply Flow

Electronics will control the flow of ordnance supplies to depots and the fleet, according to an announcement recently by Capt. R. L. Myers, commanding officer, U. S. Naval Ordnance Supply Office.

Turned over to the Navy, in dedicatory ceremonies May 12, was a large-scale data processing system, the heart of which is a Burroughs Corp. 220 computer, already installed and ready to assume its complex task.

The system will control three major areas—technical records, inventory control and shipboard allowance lists—as well as guided missile inventory, provisioning, price changes and transaction item reporting.

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Inch Day — July 1

On July 1, 1959, designated as International Inch Day, the United States standard inch shrinks by two millionths of an inch while the British standard inch grows by a like amount bringing the two standards together for the first time. One micrometer manufacturer, the J. T. Slocomb Co. of South Glastonbury, Conn., reports that this measurement change will not affect the use of any of the models in their line of micrometers. Even with the large 60 inch micrometer the change in standards means an error of only 1.2 ten-thousandths of an inch. These big micrometers are manufactured holding 2 ten-thousandths accuracy, while the federal specification permits as much as 7 ten-thousandths error in this size.

With the 6-inch micrometer the federal specification permits an error of 2 ten-thousandths while Slocomb holds 1 ten-thousandths maximum. As a result the addition of another 0.12 ten-thousandths due to the change in the inch leaves their product well within specification requirements.

Color Film Speed Doubled

A NEW HIGH-SPEED 35MM color negative movie film which provides artistic and economic advantages for in-plant and commercial producers of business sponsored movies was introduced recently by Eastman Kodak Co.

Primarily designed for use by the theatrical motion picture industry, the new film should find wide application for business and industrial movie units employing 35mm motion picture cameras and equipment. Although 16mm prints may be made from the 35mm color negative originals, the new film is not expected to be made available in the 16mm size.

Called Eastman Color Negative Film, Type 5250, the new product will be supplied on special order until expanding production makes possible offering of the new color film as a regular order product.

Kodak introduced the new product at the annual convention of the Society of Motion Picture and Television Engineers.

Artistic Advantages

Movie production units will also find the camera's color vision extended because of its speed. Whether it's a coal mine or an exacting panorama of a 300-foot production line, the film will give cameramen increased control over exposure and depth-of-field. Similarly, following

New High-Speed Film Should Aid Business Film Sponsors

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movie action in close-ups will be easier, since the smaller lens openings possible with the new film extend the range of sharp focus.

Economic Advantages

Economic advantages of the new film include lowered lighting requirements—particularly important when shooting in areas where it is desirable not to disturb work in progress. Further, the new film's increased speed will make possible longer shooting days, particularly in Northern latitudes.

It is also anticipated that use of the high speed color film will give sponsors a versatile package with numerous distribution possibilities. For example, 16mm color prints may be made for distribution through normal school, club and business outlets. In addition, black-and-white 16mm prints may be prepared for use on television now. Also, 35mm color prints may be offered as trailers for theater use. Finally, the original 35mm color footage may be banked away for possible color TV re-runs,

once the medium realizes its full potential.

New Film Result of Three Years' Research

Although the new Eastman Color Negative Film, Type 5250 represents a major breakthrough with its favorable speed-to-graininess-ratio, it is the result of no single technological advance.

According to Dr. C. J. Staud, director of the Kodak Park Research Laboratories, "Eastman Color Negative Film, Type 5250 is the result of an intensive 3-year program to develop a film with high-speed, minimum graininess, and favorable color balance which can be handled and processed with conventional techniques."

U. S. Uranium Concentrate Production 1957 - 1958

1957 Calendar Year			
State	No. of Mills	Pounds U ₃ O ₈	Value*
Colorado	6	3,931,633	\$42,489,322
Utah	4	6,582,786	58,524,923
Others (Arizona, Washington, South Dakota, Wyoming, New Mexico)	6	6,449,843	65,894,768
Totals	16	16,964,262	\$166,909,013
1958 Calendar Year			
State	No. of Mills	Pounds U ₃ O ₈	Value*
Colorado	8	5,802,997	\$58,507,922
Utah	4	7,798,087	67,472,991
New Mexico	6	7,207,343	65,811,235
Others (Arizona, Washington, South Dakota, Wyoming)	5	4,028,898	41,253,301
Totals	23	24,837,325	\$233,045,449
*Paid by AEC for concentrate product of mills			

"OPERATION BUTTON JAR"

**Button, Button . . . Who's got
some badly needed equipment?**

A UNIQUE PROJECT, designed to procure some badly needed equipment for college, and possibly vocational high school, laboratories and shops, has been launched in the Cleveland area under the name of "Operation Button Jar."

Taken from the old-fashioned button jar, that used to be a vital "tool" of the housewife, the project name infers considerably more than old buttons. At one time the button jars were passed from generation to generation as prized family possessions and often aided the "stitch in time."

The main purpose of the present undertaking is to gather discarded material and equipment from industry, reclassify it, and distribute it to schools that can put it to good use in their laboratories and shops. Ordinarily much of this equipment is not provided for in regular academic budgets. At the same time industry scraps tons of such items every year.

Conducted in conjunction with the Case Institute of Technology, the operation is being developed and carried out by the Cleveland firm of Reese and Miller, Inc. The operation covers everything from nuts and bolts to relays, vacuum tubes and machine

shop equipment. Materials will be distributed to all types of academic laboratories; mechanical, electrical, chemical, physical, hydraulic and electronic. Presently, Case Institute is serving as the guinea pig to determine the possible pattern and method of control.

The institute, according to H. M. Reese, executive chairman of the project, has already submitted a lengthy list of materials which its own departments can use. Included in this list are models and back issues of magazines which might have any bearing on the general subject of city planning. The director of the school's planning department is anxious to receive scale models of buildings, proposed industrial site studies, photographs, architectural sketches . . . anything to aid his students prepare more comprehensive projects of their own.

Reese and Miller found some time ago that industry was storing all sorts of equipment, or was heading it for the junk pile. Some materials might have been over-runs from a production line, display equipment now unsaleable, or even equipment which was being discarded to make way for modern tools. Their Opera-

tion Button Jar is to serve as a bridge between industry and the many campuses where lab items are sorely needed.

In setting down some of the items needed, Reese mentioned that, "along with all types of shop tools and lab equipment, we are already receiving assorted sizes of hook-up wires, relays, solenoids, limit switches, meters, valves, power transmission equipment, fastening devices, technical books, periodicals and visual aids." Some firms, according to the project chairman, are even able to get a tax write-off by claiming these as "donations." While they are serving as donations they are helping to equip schools with modern materials and equipment instead of the archaic items generally found in labs and shops.

Although it is not presently a part of any special project undertaken by the club, several sponsoring companies of the Management Club of Greater Cleveland have already voiced their enthusiasm and participation in the operation. Any group seeking further information is requested to contact Case Institute of Technology, Cleveland, referring to "Operation Button Jar."

Actually, Reese and Miller are making no charge to schools or industry, but have established the operation as a public service. They anticipate that the project will be in full swing by the summer vacation period when many professors will have more time to devote to the project in the course of getting prepared for the fall semester.

Labor Arbitration Course

The American Arbitration Association in cooperation with Rutgers University will sponsor an intensive one-week course in labor arbitration, scheduled for June 7 to 12, 1959. Intended for management representatives at operating and policy-making levels, the program will include lectures, discussions and workshops on the full range of current problems in arbitration, such as determination of arbitrability and techniques in preparing and presenting cases before arbitrators.

Special workshops are planned for clinical discussion of the most frequent issues in labor-management

arbitration: discipline and discharge; seniority in layoff, recall and promotion; job evaluation and wage incentives.

Attendance will be limited, for maximum participation and practical discussion. The fee for the course, including room and board, will be \$225. Accommodations have been arranged in the Zeta Psi Fraternity House on the Rutgers (New Brunswick, N. J.) campus. Organizations interested in reserving a place for one or more staff members may write to the Education Department, American Arbitration Association, 477 Madison Avenue, N. Y. 22.

You Can . . .

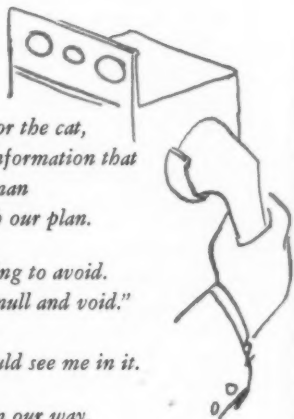
Take It with You!

by "Margie"

*We've found a kennel for the dog, a keeper for the cat,
Packed the children's clothes and toys, have information that
The motel recommended by our local travel man
Is close to all the scenic routes and fits in with our plan.*

*We'll drive around the cities which we're trying to avoid.
We've marked our bills and worries "strictly null and void."
I'm really so excited—I talk a mile a minute.
I have a brand new bathing suit, wish you could see me in it.*


*We're off on our vacation trip, at last we're on our way.
We can hardly wait to get there, wish we could overstay.
All except my foreman husband who absolutely can't
Wait until he finds a pay phone so he can call THE PLANT!*



Should our plant have . . .

A MEDICAL PROGRAM?

Another in a series of special
medical reports for Manage.



IN PLANTS WITHOUT MEDICAL PROGRAMS many supervisors confuse the function of a medical department with hospital and insurance plans. The latter fall naturally into "benefit" programs. The former are preventive medical services.

The hospital and insurance plans deal with patching you up or seeing you through an illness. The medical programs are designed to keep you well in the first place.

Let us assume that you have had an announcement from your plant manager that all supervisors are going to meet to talk about whether or not you should have a medical and safety program for your plant.

"What are they going to do? Up the hospital plan rates?" one of your fellow supervisors asks.

You know he's on the wrong track, but you better do a little research on the subject. If it's a good thing—a plant medical and safety program—it wouldn't be a bad idea to have some supporting ideas. Or maybe it isn't good!

The day of the meeting comes and you sit down around the large table, you and the other supervisors, with the boss at the head.

There are two ways to go about looking at any program, either see

what it is and then see what it will do, or visa versa. You being the energetic sort of fellow decide you'll put some life into the meeting from the start. The boss looks down the table with his request for comments, so you lean forward eagerly.

Unfolding a sheet of paper you turn to face the head man. Of course, you know him well enough to know that when *he* asks for comments he really wants them.

"Gentlemen," you say, "I've done a little reading on the subject of medical and safety programs and I have an interesting table here that was published two years ago, but it will give us something to talk about today."

"This is the story of the Rome Cable Company's experience with such a program. Let me read it to you."

This means that after 10 years of a medical program the Rome Cable Co. had \$800 a year production gain per employee; the employee, if

TABLE I

1947 No Medical Program (program started this year)	
Sickness absence per man.....	70 hours 3.5% of work time
Compensation claims 1944-46.....	253
Lost time accidents 1945-47.....	71
Injuries per man (all kinds)....	1.4
1957 After Ten Years Experience with a Medical Program	
Sickness absence per man.....	32 hours 1.6% of work time
Compensation claims.....	71 (73.5% less)
Lost time accidents.....	32 (55.0% less)
Injuries per man (all kinds)....	0.3

Based on published material, A. D. R. Fraser, Ind. Hyg. Digest.

an hourly worker, had an extra week's pay per year, the sickness benefits were less than half, that compensation rates had dropped from about \$0.93/\$100 payroll to \$0.56/\$100 payroll. These figures do not take into consideration the intangible values which obtain both in the employee's working and private life, nor the employer's intangible gains.

Rome Cable Co. has 1,000-1,200 employees.

Depending upon how much each of your fellow supervisors knows about this subject they either nod approval or appear rather startled to think that you are talking about something that had dollar and cents value rather than a purely altruistic one.

As for the boss—well, you suspected all along he wouldn't have

called this meeting if he had not had some strong indications that other companies were finding medical and safety programs paid off.

The supervisor who had asked, "What are they going to do; up the hospital and insurance rates?" was the most confused. He took the floor and asked quite frankly, "What are we talking about? Don't tell me that just because we make some changes in our sickness benefits (and I can't imagine what they would be) that we'll all lose less time at work."

There are several others at the meeting who might have asked similar questions, so the discussion passed from "What can the program do for the company?" to "What is a medical and safety program?" At the end of the meeting the boss, seeing

*Adequate medical programs can produce
savings in down-time, sickness benefits
. . . and improve general morale.*

your interest, asks you to summarize the discussion.

Your summary of the things that go into the program is put in memo form later for all to study.

In carrying out these functions records must be kept. When they are medical in nature, they are confidential. But management has available the medical department's interpretation. This interpretation means that management may use this information to the best advantage of the individual and the company.

Your summary points out the concept "positive total health for all employees."

Look back to the May issue of MANAGE, the article, "Can We Use Heart Patients in Industry?" You will see that the industrial physician's approach was *not*—"This is a risky patient, I'll look for an excuse to keep the heart patient off the job." But rather, "Where and how can we use this good worker?"

Or glance over the Medical Check List in the April issue of MANAGE. There are not any specific answers given, to be sure. It had as its aim to stimulate further questions, but implied answers are positive and deal with prevention of trouble before it begins. Physical examinations are

given not to find defects so the man may be discharged, but to find and correct any trouble so he may be a full and useful worker longer. First aid should diminish as safety and prevention increase—and so on.

What can a medical program do for YOU?

Each plant will answer this a bit differently, but: A rubber fabricating plant of 60 men won a retroactive 22.6% compensation credit



J. BISHOP

"Your references on typing are excellent . . . How are you on making coffee?"

because of its excellent accident and disease experience following the set up of a combined safety and health program;

A 225-man foundry found their labor turnover sharply reduced primarily because their people liked to work under conditions improved by the new medical-hygiene program;

A small processing plant cut its compensation cases from 31 per year to 10 and days lost from absenteeism from 2,430 to 290.

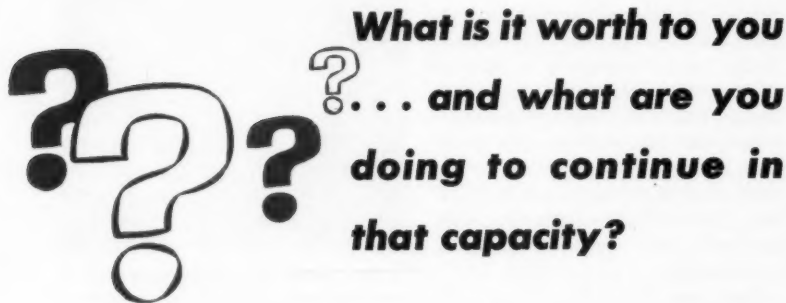
The dollar and cents aspect of a medical and safety program is on the credit side of the ledger. If you have such a program you know this. If you don't, why not investigate?

TABLE II

Scope of a Complete Program

1. Promote healthful, sanitary, and safe working conditions.
2. Provide information and counseling on personal health matters for employees when they gain confidence in the program and request it.
3. Advise on the proper placement of employees on the basis of pre-employment physical examinations.
4. Make available to management professional advice and research on the proper methods of handling potentially toxic and hazardous materials, and conduct examinations and employ controls on employees who are exposed to these conditions.
5. Provide periodic physical examinations for employees in order to conserve manpower.
6. Cooperate with personal physicians of employees in their health problems.
7. Provide adequate first aid, and top quality medical care by excellent consultants, for injured employees.
8. Cooperate with community facilities and organizations in improving general health standards.

Want to be Boss?



by Paul C. Linkous

A MAN HAD BUILT A SMALL TOOL SHED in his backyard and it needed a coat of paint. He contracted the job to an old Negro handy-man for two dollars. After seeing the work started, he left on an errand and returned in a short while. To his surprise he found the old Negro reclining in the shade and a young Negro painting the shed. "What is going on, Moses?" he asked. "Well, Suh, I is contracted the job to Sam for three dollars." "Why, Mose, you are losing money. I am only paying you two dollars." "I knows that, Suh," said Mose, "but it sho am worth something to be boss."

I would like to ask each of you, What is it worth to YOU to be "Boss?"

Is it the prestige you enjoy as a member of management, the invested authority to direct the efforts of others, the importance you feel at having

accomplished something worthwhile? Is it the financial reward of promotion, or a wish that has come true?

These things may seem important to you as a part of the reward for your efforts, but they are only nominal. The acceptance of a position, receiving a tithe, only presumes a capability, it delegates responsibility; ability we must have, develop or acquire. It is actually a combination of all three. Your education and technical skill may have influenced management in choosing you for the job but in the ever-changing pattern

of industrial life it is your ability to develop and broaden those skills that keeps you in the ranks of management.

The old handy-man's idea of "boss" was to sit in the shade and watch some one else "beat out his brains" in the sun. If that is your idea of management, you have "caught the wrong bus." The average management man of today puts in more time, more thought, more hard work, more sacrifice of private life and personal interests and has less time with his family, than any other individual in industry.

Over two thousand years ago, this old earth was graced with the life of a wonderful man, a carpenter's Son. He did not try to gain power or authority, although He had both in full measure. He only sought to show others how to live an abundant life. Looking around Him at those who had accepted positions in church and state He saw that they only played to the crowd. Their positions may have been great but their performance was pitiful. Desiring to awaken in them some measure of responsibility He asked them this question: "Do you gather grapes from thorns or figs from thistles?"

Before we give the obvious answer to that question, let us examine the hidden meaning behind it. Just as you cannot expect a plant to develop to its full potential under a rock, just as you cannot expect noble thoughts from an individual whose mind is always in the gutter, by the



The author is a vice president of the National Management Association and is superintendent of employment and insurance at Inland Steel Co., Wheelwright, Ky.

same token you cannot expect good management performance from an individual who is not continually preparing himself for the duties of such a position.

The man who can recognize his own limitations and who does something to improve his job performance is the man who makes management a career. The more he learns about his job the more he finds there is to learn. This is humility in a noble sense. The modern management man must not only know his job and its relation to the industry, but he must have a working knowledge of the jobs above and below him. He must keep abreast of modern methods and thinking and be ready to adapt to change when it

comes. Being broad-minded, he knows that the old way of doing things may not always be the best way, knowing his own human imperfection he must be willing to recognize that failing in others. Realizing his own ambitions must be coupled with a desire to see others have the same chance to realize their own.

No, we do not gather grapes from thorns or figs from thistles, but if we take the opportunity afforded us as a member of our management club and the NMA, the training and help available to us within that medium, plus that made available by our own company, we will have, I think, both the seed and the climate to develop a plant whose fruitage is good management, happy living and citizenship of high degree.

We must realize that our job does not start and end with our assigned duties, but our responsibility extends to our community and nation. We are not a beautiful island that people

pass with "Ohs" and "Ahs" of admiration; we are a part of the stream of life, an important part, if we do what is expected of us. Our interests must not be limited by the blueprint, the cost sheet or the adding machine. We have a responsibility to our community to take an active part in civic and service clubs, to throw our influence behind good government and community affairs, to use a bit of that principle of service to others that we learn in our church and the leadership we have developed in ourselves on the job.

Management can be defined as a sacrifice, a sacrifice of personal time and desires, a continual program of improvement, of ourselves and our methods, a sincere deep-rooted desire to merit the confidence reposed in us by our company and our neighbors. If these are ever lacking, our management career is brief and ineffective.

What is it worth to you to be boss? More important, what are you doing to continue in that capacity?

Next Month...

Manage will salute the Coal Industry when editor, William Taylor, reports on his recent tour of mining operations in Kentucky and West Virginia. This will be the fifth of a series of salutes to American Industry.

BUSINESS NOTEBOOK



by WILLIAM M. FREEMAN

WHOO'S PERFECT? You? Me? Then why do we expect a big store handling thousands of transactions daily to achieve 100 per cent perfection? When a woman buys a gift, and it arrives at its destination with the price-tag still neatly attached, she swears she'll never go near that store again. And when she buys something for herself, returns it, buys something else, and the charge gets mixed up in the paperwork, she vows that something should be done.

Well, stores *do* make mistakes, because they are staffed by humans. The humans who run the stores recognize that they are being asked to turn in a performance that is as—

Nearly Perfect

—as it is possible for humans to get. And that is what they are trying to do. Nathan J. Gold, chairman of the board of Gold's, Lincoln, Neb., and president of the National Retail Merchants Association, is working on the problem with J. Gordon Dakins, executive vice president of the group, backed by committees representing merchants throughout the country.

And do they expect to achieve perfection? No, they don't, of course, but they are working night and day by a dozen routes to approach it. They are going after the best workers they can get to run the country's thousands

of retail stores, and they are offering all sorts of inducements to win more recruits to study the arts of selling, merchandising and marketing. They are introducing new methods, new machines and new shortcuts. They are—

Making Progress

—and, while they don't say so, it would help a bit if the customers would understand that the error is the exception, not planned by management, and that it is notable by its rarity.

The customer himself (meaning his wife, of course) is in charge, and the merchandising men know it well. Ernest J. Hodges, vice president of Guild, Bascom & Bonfigli, Inc., San Francisco advertising agency that represents accounts outside that city and none at home, takes the view that "Let the buyer beware" is outdated, and the slogan should be "Let the seller beware" instead.

He told the Association of Advertising Men and Women, which

selected him the "outstanding young advertising man" of the year, that the manufacturer is often naive.

"He doesn't always realize that a sharp-eyed, wary rascal waits for him to make one mistake," Mr. Hodges said. "It can be any one of many mistakes, but one is enough."

And then, he said, the company fails in its sales objective.

In automobiles, chairs, fabrics and a thousand other things the consumers have long bought what was offered when that was all there was. Now they are specifying exactly what—

New Products

—they want, and how, down to the last detail.

An example is the classroom of tomorrow, now off the drawing board, into a factory, on a truck, delivered and in action.

The American Seating Company of Grand Rapids, Mich., biggest in the business, is turning out one-piece chair-desks for pupils' and teachers' desks, with all sorts of electronic equipment and controls.

Another example is the Eberhard Faber Pencil Co. of Wilkes-Barre, Pa., which makes some 3,000 kinds of pencils and ballpoint pens to meet every possible need and a few more. It also has revised its line of erasers to include one that looks like a pencil but has an eraser at one end that can be sharpened, with a brush at the other end.

Still another is Eagle Bros., manu-

facturer of shirts and sportswear for boys. Instead of designers and merchandising executives huddling to decide what to make, the organization questioned the customers. Manny Eagle, president of the Boys Apparel and Accessories Manufacturers Association, as well as head of Eagle Bros., joined with the 300 other manufacturers in the group to form Older Brothers Councils. The idea was that the older brothers knew exactly what the younger brothers wanted. They were happy to cooperate, and they are imparting the information regularly to the manufacturers.

This approach to finding out—

What's Wanted

—actually is a basic concept, so old as to be new again. One of the more novel refinements of the technique is that of The Baltimore Salesbook Co. In 1922, when it was on the edge of bankruptcy, it was taken over by Talbot T. Speer, who had distinguished himself as a star athlete at the University of Maryland and had been a highly-decorated hero of World War I.

The fresh idea that he introduced was to find out what the customer needed instead of merely supplying what was requested. It is his view that American business annually suffers losses of more than a billion because of "wasteful, inefficient and unnecessary paperwork."

Since he provides the paper forms that are used in such waste, the

comment sounds as if he was attacking his own work. What he has succeeded in doing is to emphasize automatic procedures and to design simplified forms and systems. His idea is to use one form instead of two wherever possible. The net effect of this novel approach is that business has soared. When the company was organized in 1916 it had one salesman, 14 employees and 25 customers. There are now 500 employees at Baltimore, 250 salesmen and 2,500 sales representatives, plus 50,000 business concern customers.

It is not at all surprising that Mr. Speer in 1950 was selected as "the South's Man of the Year." There is a reward, it seems, for—

Ideas That Work

—and men who know how to think them up. Even the federal government, which has the reputation for being slow to abandon outmoded methods, has conceded that suggestions from employees work. A few years ago George M. Moore, Civil Service Commissioner, said such ideas had saved more than \$102,000,000 in a single year. The government, acting under an incentive awards program, paid \$6,000,000 for them.

Of course, not every idea works, and making decisions sometimes can be a highly technical matter, requiring detailed know-how. Some of the methods of making a decision on adding a new plant have been listed by Ford, Bacon & Davis, Inc., engi-

neering and management consultant. To avoid having a structure tagged—

So and So's Folly

—it is essential, the concern says, to distinguish between capital costs and costs of operation; to get a reliable forecast in advance of industry-wide and company market prospects and to avoid excess optimism on new processes.

Further, the concern suggests, plant location involves a minimum of 13 essential factors to be considered. It adds that improper evaluation of economic factors in adopting automation can produce a technical marvel, but with unit production costs unfortunately as high as unit selling prices. It also cautions against



"I don't care if your father did lose everything in the '29 crash!"

over-elaborate structural details and making decisions on timing without figuring the effect on volume, prices, material and labor costs, overhead items and revenue.

It is not surprising that many persons who are short of being foolish rush to enter—

Where Angels Fear

—to tread. The New York Stock Exchange took note of this unhappy fact not long ago in warning against buying of securities by the uninformed. Keith Funston, president, had this to say:

"A tendency has been developing toward the purchase of highly speculative stocks by people who don't realize what they're buying. Some of them probably shouldn't be buying stock at all, let alone highly speculative issues."

Edward J. McCormick, president

of the American Stock Exchange, is on record as suggesting that "some method must be found" to curb the effect of unconfirmed rumors on securities prices.

And Edmund R. Beckwith, Jr., who heads Crookes-Barnes Laboratories, division of Chemway Corp., deplored the spectacular advances in pharmaceutical stocks in recent months. He said that "the pharmaceutical business is no primrose lane to easy profits and automatic growth," and added:

"Unfortunately in the last decade we've been 'discovered' by the professional investment community and by the skilled promotional media of the investment world. Almost nobody focusses on the essential truth that for every 'hot' operation there is usually another which is going through a cold front."

Expect Research To Combat Foreign Competition

The significance of research, as an instrument for growth, warrants particular emphasis, according to Elwin L. Smith, president of Smith-Corona Marchant, Inc. "Our current expenditures for research are more than double what they were a year ago," he said, "and account for a major part of the difference between current and last year's earnings. We are confident that this increasing attention being given to research will

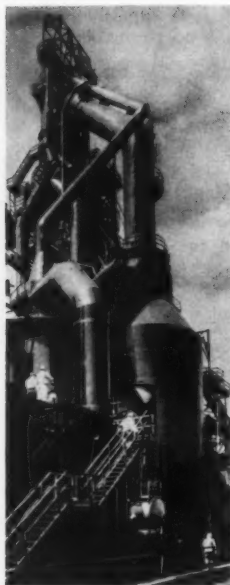
have an important bearing on our future growth and profitability."

The company reported that the highly competitive conditions existing in the portable typewriter industry had an adverse effect on its earnings in the March quarter. Increasing competition among both domestic and foreign manufacturers, the report stated, resulted in substantially narrower margins for all manufacturers.

America's Industries

STEEL ...

Readies for Battle



The nation's largest blast furnace with a hearth diameter of 30 ft. and a capacity of 1900 tons of steel per day . . . at Great Lakes Steel Corp., Detroit.

SURPASSING THE MOST OPTIMISTIC expectations and virtually assuring a new record for production, for the first six months of any year, steel output in the first four months of 1959 has climbed 70 percent over last year's production. These production figures . . . together with the increase in earnings . . . are certain to play an important role in the labor contract negotiations which began early last month. The industry was ready for battle.

Prior to going to the negotiations mat Dave McDonald, president of the United Steelworkers Union, and R. Conrad Cooper who heads the U.S. Steel negotiating team, were adamant in their attitudes toward the outcome of the hearings.

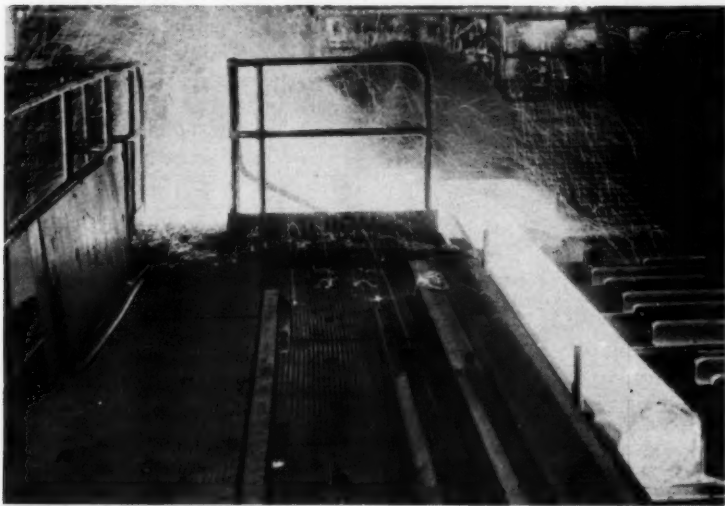
Both men are shrewd negotiators and will have pitched every conceivable punch and counter-punch before the fracas is settled. How long will it be . . . if there is a steel strike? No one was ready to give even a calculated statement for the record, but considering the facts as they measured up at the time the huddle began, it looked like none at all or, if there was to be one, it would be of relatively short duration.

... probably not more than 30 days.

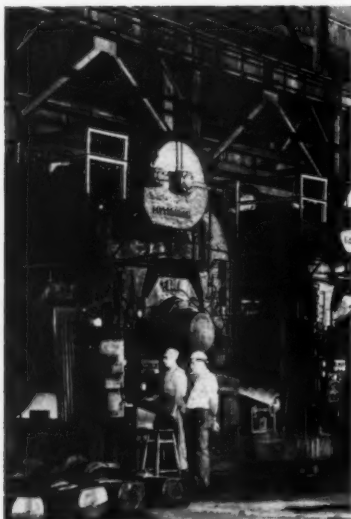
Some of the reasonings behind the guesses were : 1) Steel producers have built up a sufficient inventory that warehouse service centers could hold out for 60 days or longer, if necessary, and 2) Steelworkers themselves have some money in their pockets for the first time in many months. The jingle of change sounds and feels good. Last year's recession hit them hard. They are averaging at least \$3 an hour with an impressive list of fringe benefits. There is still a third reason which all workers are conscious of, and that is the bother-

some increase of imported finished steel products. If continued, at any accelerated rate, it will naturally mean an employment problem in the near future. If increased wages and higher prices bring about increased steel imports ... and unemployment ... workers will be content with the present wage scale.

These are some of the factors to be weighed. What the outcome will be is anybody's guess. But ... it will be the most important wage settlements and labor contract negotiations of 1959 ... with its effects sure to be felt in every segment of American life.



A "hot saw" at the Loraine Works of the National Tube Div., is seen above cutting "rounds" in the No. 4 Blooming mill. Loraine, Ohio, is often referred to as the "Tube Center of the World."



For the first time anywhere a hot strip mill with direct drive to all stands at the Portsmouth Div., Detroit Steel Corp. Foreman at right is John Ridge, first president of D.S.C.'s Foremen's Club.

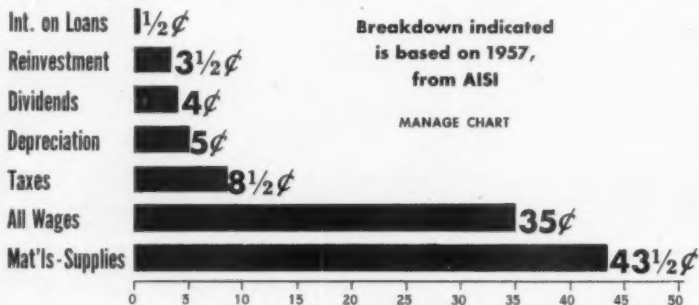
Profits Misunderstood

However, top steel executives assert there is a widespread misunderstanding of profits and that many people believe corporate profits are what company officers and executives put in their pockets. One of the major factors that has distorted the steel profit picture is the failure of people to take into account the necessary allowances for depreciation by the industry. (See Washington Report, page 8).

For example, *Steelways* magazine notes that one firm which installed a \$10 million open hearth 29 years ago recently replaced it at a cost of \$64 million. The difference, \$54 million, had to come out of profits that normally would be paid to stockholders and retained by the company for capital improvements and expansion.

One company estimated that nearly 24 percent of its so-called profits in 1957 were needed just to meet in-

Where STEEL'S Sales Dollar Goes



adequate replacement costs. This is one reason why American producers are sadly lagging behind Russia's rapidly improving steelmaking installations.

A Marketing Project

In order to compete against the rising use of other metals and plastics, one company . . . the largest of all the steel producers . . . U. S. Steel Corp., recently embarked on a trial-run of a local marketing device known as "Steelmark Days." The project seeks to counter competitive threats from non-ferrous materials presently making inroads in a broad list of products, from pots and pans to window sashes and lawn furniture.

After results of the pilot program,

held in the Birmingham, Ala., area are studied, similar festivals are planned for other steel centers. The program is a three-day affair which hopes to make townsfolk acutely conscious of "buying quality steel products" for the home.

The "Typical" Steelworker

The project will be aimed at steelworkers, their relatives and neighbors. Like most Americans the average steelworker is a potential customer. A "typical steelworker," for example, has his own home, an automobile, has approximately six household appliances, is a church member and very likely belongs to a social, recreational or fraternal organization. A recent survey by the American



A four-stand tandem cold rolling mill at Indiana Harbor Works of Inland Steel Co. can turn out cold-reduced strip steel at 3,400 ft. per minute. Mill was part of \$300 million expansion program.

Iron and Steel Institute suggests that the worker has been working in the industry for 16 years and has been with his present company 15 years. He has total liquid assets of about \$655 and therefore has a stake in the fight against inflation.

Centered in Ohio

The geographic center of steel-making capacity in the U. S. has steadily moved westward; about 20 miles to the west in the last two years. The center is now located near

Spencerville, Ohio, a town of about 1800 population. With the admission of Hawaii into the union, and the report of a possible new electric furnace operation there, the center could move. However, even if the new installation had a production of 1.5 million tons it would move the center only about 45 miles in a southwesterly direction!

No matter where the geographic center of steel's production may be, every American, from Maine to Hawaii, and from Florida to Alaska,

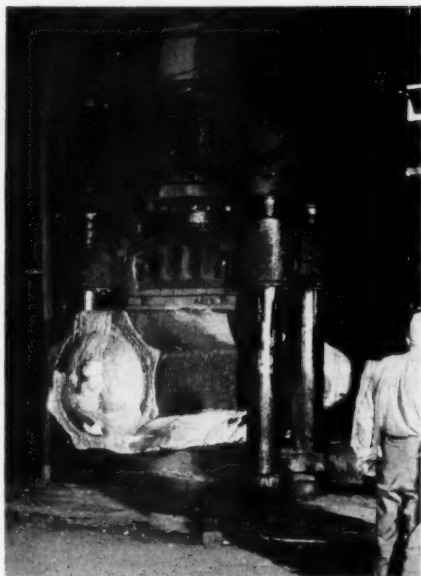


A 500 ton "heat" being poured into ingot molds in the open hearth furnace department of Great Lakes Steel Corp. in Detroit, Mich. The four open hearth furnaces were added to the operation in 1955.

has his personal economy pretty well controlled by the rate of production and wages as established by America's greatest of all . . . the Steel industry. And it had its early beginnings in Pittsburgh, at the confluence of the Allegheny and Monongahela rivers.

From a small wooden fort in the wilderness to one of the world's greatest centers of iron and steel-making. That is the historical span of Pittsburgh, currently celebrating its 200th anniversary. Its proximity to soft coal, oil and limestone helped it become a great commercial and industrial metropolis. Its first iron foundry was built in 1805 and its first rolling mill was erected in 1811. By 1857 Pittsburgh had more than 100 rolling mills, foundries and other iron works. Stimulating the development of the manufacture of steel after the Civil War were the invention of the Bessemer converter, the successful use of coke in blast furnaces, and the discovery of high grade iron ore in the Lake Superior region which could be readily transported to Pittsburgh.

As of the first of this year, Pittsburgh's annual capacity was nearly 15.7 million tons, over 10 percent of the nation's 147.6 million tons of steelmaking capacity. Rust-red iron ores from the Lake Superior



One of the heavy presses at Heppenstall, Pittsburgh, forging a 53-inch ingot. The press capacity is 1,500 tons.

fields, from Labrador and Venezuela, find their way into the mouths of the Pennsylvania city's steel furnaces. Finished products then move to the four corners of the globe.

One of the most significant developments in the industry, in recent years, has been the successful use of taconic ores. This low grade, powdery iron dust has large percentages of contaminants and its powdery nature makes it difficult to charge into a furnace without most of it "blowing" out the stacks. But

the Lake Superior fields supply much of this taconite. Sintering and pelletizing processes, developed nearly 10 years ago, virtually brought a new lease on life to the region. Estimated reserves markedly increased and the future supplies of iron ore within the U. S. were strengthened.

Today with the opening of the St. Lawrence Seaway, the importation of foreign ores becomes a practical and economic operation. Having entered the Seaway, ore boats can now discharge their loads at, or near, virtually every major steelmaking center in the eastern and middlewestern states. How producers will avail themselves of this vast new transportation treasure is still to be seen, but the plans have been carefully laid. The added economy of the Seaway operation may, in effect, be one of the answers to the steel industry's economic dilemma.

Can Makers Celebrate

The metal can industry will mark the 150th anniversary of the invention of the can, during 1960. The invention is attributed to Peter Durand, an Englishman, who was granted a patent in 1810 by King George III.

Today, the "tin can" is more than 98 percent steel and less than 2 percent tin! Some 42 billion cans are made annually in this country, or about 860 a year for each family in the U.S., according to the can makers.

Chromium Plus Research May Put Man on the Moon

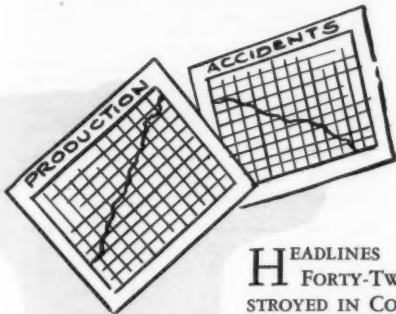
Steel mill researchers are experimenting with new chromium recipes that may provide the metal for man's eventual ascension to the moon. The American Iron and Steel Institute says the strides these metallurgical scientists have made is reflected in a relatively new stainless steel product for sinks and major structural parts of guided missiles and jet aircraft.

By mixing 15 percent or more of chromium with controlled amounts of nickel, molybdenum and aluminum, steel companies have prepared recipes for a type of stainless steel that maintains great strength at 1,000° F., temperatures often generated by aircraft and missiles traveling at many times the speed of sound.

In addition, the steel is readily fabricated, can be produced in volume, resists corrosion and is relatively low in cost. There are 39 standard types of stainless and heat-resistant steels now being produced and many more types will be standardized in the years just ahead.

It is worthy of note that virtually all chromium ore, the stalwart alloy of steel, that contributes so much to the jet-propelled civilization, has to be imported. In 1957 nearly 2.3 million tons were brought in. Of this amount, more than one-third came from the Federation of Rhodesia and Nyasaland.

ACCIDENTS . . . DOLLARS . . . and SENSE . . .



by Dale G. Walton

HEADLINES READING "ONE HUNDRED AND FORTY-TWO U. S. ARMY DIVISIONS DESTROYED IN COMBAT;" the equivalent of 75 percent of the present total U. S. Armed Forces killed, or wounded in action, in one year, would be shocking news to American people. A military campaign producing annually almost two million casualties, including 14,200 killed in action and 80,000 permanently disabled would be considered a major calamity. This is nearly 13 times the number of casualties in the three-year Korean War and somewhat higher than the average annual deaths from battle alone in that conflict.

Nonetheless, this is the cross borne year after year by the American people to maintain industrial production, sustain national power and increase their standard of living. All desirable objectives these, but the cost in men, money and time is excessive. Occasionally, the more spectacular accidents, such as mine disasters, make headlines, but the daily work of producing safely remains primarily the concern of too few.

Marshaled by management, and led by first-line supervisors, the forces of American labor continually face the hazards of production with little public interest and much worker indifference. With respect to public interest, members of line management can do little. However, worker safety and worker safety-mindedness, is definitely a management problem, a problem about which much has been done, and about which much is yet to be done.

Who Pays for Accidents?

Accidents cost you and every other worker in American industry \$60 last year. Next year the cost may be even higher. Wage losses last year remained at slightly over \$1 billion. Total costs of work accidents reached \$4 billion in 1957, and are still rising. Medical and overhead insurance rates rose seven percent during the year 1956-1957, to 450 and 470 million dollars respectively. Additional costs resulted from damaged equipment, materials and production delays. Also lost were 230 million man-days, not just in injuries alone (40 million), but 190 million man-days lost when others stopped to help the injured and discuss the accident. Slow-downs from lowered worker morale also contribute to lost man-days.

Does management alone bear the major share of the cost of the nearly two million disabling work injuries annually? From the foregoing one might conclude as much. In reality



Mr. Walton is a training specialist at Convair — San Diego, a Division of General Dynamics Corp.

however, the share borne by the workers is direct and physical; not measurable in dollars and cents, but in human suffering extending ultimately from family to community and nation.

Both management and labor have a stake in the reduction of accidents. Both share the costs of accidents and both can share in the benefits resulting from reductions therein. Most managements have accident prevention programs; a few have made great progress. The following is a particular example of what can be done, and how.

A Company Approach

"I don't care if we ever build another plane, if it means we have to hurt or kill people to do it!" This is a frequent remark of B. F. Coggan,

vice-president and manager of the 25,000-man Convair (San Diego) Div. of General Dynamics Corp., at monthly meetings attended by some 2,000 members of the management team. Mr. Coggan however, not only feels he can build aircraft without hurting or killing people, but since taking over the division he has continuously and substantially moved toward that goal.

During 1955, on five different occasions, this San Diego plant accumulated over five million man-hours without a disabling injury. Also in 1955, a 68-day period accruing 9,075,355 man-hours, ended with no disabling injury. This was recognized by the National Safety Council as a new world's record for safety in aircraft manufacturing and assembly operations.

In 1956 this division exceeded the 68-day period of the preceding year by going 105 days, totaling 21,814,875 man-hours, without a chargeable injury. This is recognized by the National Safety Council as the most outstanding record ever accomplished in the aircraft manufacturing and assembly industry, and is certified in the Council's *Accident Rates* and *Accident Facts* publications. This is a record still unbroken for the industry and has resulted in three Distinguished Service to Safety Awards and four National Safety Council Awards of Honor, plus happier more productive employees and more efficient production.

Production with Safety

How were these records accomplished? Does this company have a policy of safety first? "Not so," replies M. C. Val Dez, chief safety engineer, "Our policy is not safety first, but *production with safety!*"

"We must produce, but we must produce safely." This is definitely a problem of American industrial management as a whole and, stated as a policy, the only one consistent with national objectives of maintaining production, sustaining U.S. power and increasing the standard of living.

Convair, for example, requires its Materials Dept. to obtain from vendors, affidavits containing lists of their products' toxic ingredients. The data thus provided is reviewed by the medical section, and if approved for use, the safety office issues instructions for use and continuously monitors the processes and methods.

Another safeguard is the almost constant inspection of machines and facilities by company personnel and interested outside parties. Among these are the inspectors from the insurance carriers, the workman's compensation's permanently assigned safety engineer and the inspectors of local and state agencies.

Safety equipment required and in use ranges from specially designed and mechanically exhausted magnesium grinding booths and sand blast units to such basic equipment, to list only a few, as the various types of goggles, respirators, shoes, gloves,

safety glasses, ear plugs, polyethylene suits, helmets, nautical life preservers, gas masks, and even snake bite kits.

Periodic physical examinations are also a part of the plant accident-prevention and health programs. Handlers of toxic materials, such as degreasers are examined approximately every six months, or yearly, as required. So too, are grinders, lead and Kirksite handlers, drop hammer operators, sandblasters, platers, magnesium handlers, magnetic inspectors and handlers of other such materials. Complete physicals are given power and lift-truck operators, usually on an annual basis, to include Master Otho-Rater or Keystone eye exams. Audiograms are included, as they are for all employees exposed to excessive noise. Maintenance and overhead workers are also examined periodically as required.

Line Management and Safety

Are these then, the answer to Convair-San Diego's outstanding safety record? Chief Val Dez leaned back in his chair. "No, not really," he admitted. "Sure, all this helps, but it doesn't make a safe plant. The real secret is management support!" As one manufacturer puts it, "Knowing's not enough!" Nor is it sufficient to have the tools of safety at hand. There must be a willingness to match knowledge and tools. The desire to work safely must be a part of every employee from the president down.

This cannot be done solely by

safety departments or safety specialists, no matter how skillful or how dedicated. Success in safety is the result of genuine top management interest and support, a will to work safely and a recognition of successes and failures. Willed by top management, safety becomes important. This is an asset as readily available to the small company with its limited resources, as to the large one with extensive programs and personnel.

Interest and Cooperation

At Convair, records are made and broken through management-worker interest and cooperation. Superintendents meet once each month to consider the problems of safety, and nothing else. Chaired by the factory manager, the discussions revolve about policy, about safety statistics and safety and housekeeping awards. Included in this procedure is a written report back to first-line managers on the accidents involved. "It is important," Mr. Val Dez pointed out, "that the superintendent know what is going on in his own area, but doubly important that the first-line supervisor knows he knows."

First-line supervisors also meet each month for a Safety Topic Discussion. Like the superintendents meeting it has no set time limit, is fast-paced and pointed. Departmental safety problems are discussed and decisions reached. "Results not excuses," a sign frequently seen throughout fabrication buildings is the watch-

word. The only hard and fast requirement is a brief written report on problems considered, and we hope solved, to higher supervisors and the safety office.

Another key man in the safety program is the safety committeeman. Appointed by management on the basis of one for every 100 employees, he serves a four-month term. This period was decided upon as one which would give each employee a reasonable chance to serve, and thereby make safety a more integral part of his own habit patterns. The committeeman's job is to act as an assistant to his supervisor in safety matters, a salesman of safety and an example of living and working safely.

Committeemen attend a one-hour meeting each month led by a chairman, who is also their general foreman. Topics discussed include "Responsibilities of Safety Committee Members," "Eye Protection," "A Place for Everything and Everything in its Place," "Hand Tools," "Falls" and "Handling Materials." Safety committeemen wear a special badge and at the end of their service get wallet-sized certificates of recognition and a miniature green and white enamel lapel button.

"I don't care if we ever build another 'plane, if it means we have to hurt or kill people to do it!" Mr. Coggan, division manager of Convair-San Diego is reaching his goal of production with safety by welding

top management, first-line supervisors and workers into one solid safety-conscious team.

How About Your Company?

It's not the size or resources that count most in safety; it's the people. Industry, caught today between high taxes, mounting labor costs, rising material prices and some consumer resistance, should explore more thoroughly the possibility of increased profit, both human and material through more efficient accident prevention programs. This is an area of high cost susceptible to cost reduction.

Productivity, still lagging behind wages, might once again be balanced or bettered through recovered man-days now lost in accidents, and more efficient utilization of manpower realized. The effect of this upon such inflationary pressures in our economy could be great. Four billion dollars in accident costs converted to liquid capital would be no small stimulus to industry. Its effect would likely parallel that foreseen by the advocates of tax reduction to free capital for productive uses.

Benefits would be even more important, not just on the basis of what we might call the humane considerations alone, but economically. Recovering one billion dollars in lost wages, representing real productivity, and spent by you and other workers would create more jobs, more wages and more prosperity for Americans everywhere.

How's YOUR Driving?

TRAFFIC ACCIDENTS ON U. S. HIGHWAYS during 1958 caused more than 2,835,000 injuries although deaths decreased five per cent. The record number of injuries represented a 12 per cent increase during the year over the 1957 totals—more than twice the percentage increase of a year ago.

Highway deaths for the year totaled 36,700. Travelers Insurance Companies estimated that for every highway fatality there were 77 injuries.

In its annual traffic safety booklet, "The Luckless Legion," published annually since 1931 except for the war years, The Travelers Insurance Companies estimated that more than 60,000,000 Americans have been killed or injured since the advent of the automobile.

During the past year drivers under 25 were involved in 27.1 per cent of all fatal accidents and more than 20

per cent of non-fatal crashes, the report pointed out. This record was compiled by a group which constitutes at best only 14 per cent of all licensed drivers, the report emphasized.

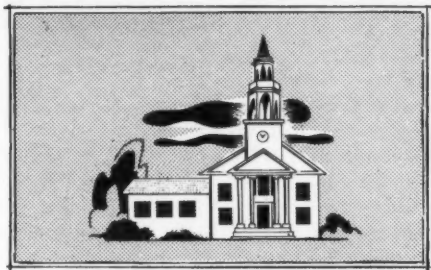
Passenger cars were involved in almost 80 per cent of the fatal accidents and 87 per cent of the non-fatal accidents. The Travelers report estimated that although total mileage traveled by commercial vehicles is almost that of passenger cars, private cars become involved in four-fifths of the fatal crashes and seven-eighths of the non-fatal accidents.

• • •

Cars that did not have the right of way injured 608,400 and killed 3,890 persons on U. S. highways in 1958 and there were 24,830 pedestrians injured while crossing intersections *with* the signal in their favor.

Types of vehicles involved in fatal and nonfatal accidents—1958	Vehicles In Fatal Accidents	Per Cent	Vehicles In Nonfatal Accidents	Per Cent
Passenger Car	35,670	79.8	2,727,500	87.0
Commercial Vehicle	7,200	16.1	263,300	8.4
Taxi	220	.5	50,200	1.6
Bus	450	1.0	34,500	1.1
Motorcycle	760	1.7	31,300	1.0
All Others	400	.9	28,200	.9
Total	44,700	100.0	3,135,000	100.0

TUITION-AID PLANS



by Alfred K. Allan

LABOR AND MANAGEMENT HAVE JOINED TOGETHER in a far-reaching educational partnership—tuition-aid plans under which the employer provides financial assistance for any of his employees who want to take school courses to increase their job knowledge or to acquire additional skills and learning in fields not directly related to their jobs. Through these plans, the employer and employee share tuition costs, usually on a 50-50 basis, for courses taken mainly on the worker's time but sometimes on company time. A spokesman for the National Industrial Conference Board reports, "A great number of companies believe such plans benefit the company as well as the employee. The great technological advances in American industry in the past 25 years, and modern concepts of business management, have increased the need for employees to acquire new job skills and to learn new principles and methods of business management."

"Although some of these tuition-aid programs have existed for a long time, many were established only in recent years. Others are still being initiated."

In 1946, the Minneapolis-Honeywell Regulator Co., Brown Instruments Division, launched its tuition-aid plan. All full-time employees of the company, both salaried and hourly, are eligible to participate as soon as they are hired and after they have obtained supervisory approval of the courses they wish to take. Within 30 days after successfully completing each course, the employee must present evidence of his "graduation." The company then refunds 75 per cent of the tuition. The employee pays the rest and he also foots the bill for his books, supplies, transportation and other charges.

Honeywell officials are convinced that tuition-sharing benefits all concerned. "The plan aids in preparing employees to do a better job and for advancement," a company spokesman declares. "It provides an op-

portunity for good supervisory-employee relationships and it brings promising candidates for promotion to the attention of supervisors."

The Johns-Manville Corp. started its tuition-aid program, "in the conviction that a company's well-being rests upon the strength of its people. . . . Our objective is to increase effectiveness in present jobs and to build a reservoir of people eligible for promotion."

The company reimburses 65 per cent of tuition fees and inter-city transportation costs to employees who successfully complete courses in schools and colleges. At present, some 600 employees are taking part in these tuition partnerships at Johns-Manville. About one quarter of them are working toward college degrees and certificates, while the others are taking non-degree courses. A number of workers have been promoted by the company after participating in this program.

Some 526 employees of the Esso Standard Oil Co. are presently taking courses at approved institutions under the company's "Educational Refund Plan." The company pays two-thirds of the tuition costs up to \$225 a year. Courses taken must be connected with the employee's present job or with a position to which he is likely to be promoted in the near future. The courses must be completed with satisfactory grades before the employee can receive his refund.

Another thriving oil concern, The

This article is based for the most part on a comprehensive study of "Tuition Aid Plans" conducted recently by the National Industrial Conference Board (Studies in Personnel Policy, No. 151)

Ashland Oil and Refining Co., refunds 75 per cent (up to a \$50 maximum per worker) to its employees, most of whom take home study correspondence courses. As a company spokesman points out, "Many of the engine room personnel on our river towboats have studied the special two-year course in diesel engineering developed by the University of Kentucky in conjunction with our marine department, for river boat engineer-trainees. Another large group has taken advantage of the refinery apprenticeship program."

"Refinery apprentices are able to qualify themselves for mechanics' vacancies as they complete their various apprenticeships in pipefitting, welding, instrumentation and other trades. One employee, a machinist graduate, is now a foreman. Another employee, as a junior engineer on a company river towboat, was the first man in the marine department to receive his diploma in diesel engineering from the University of Kentucky. He is now a second engineer."

The Eastman-Kodak company pays one-half the tuition for courses successfully completed in the employee's

spare time, with a maximum of \$175 per school year. Courses must have a definite relation to the worker's job or must provide knowledge that will increase the worker's capabilities. Currently, some 2,000 Kodak people are enrolled at colleges under the plan.

Educational assistance provided to the employees of the southwestern division of the Cabot Carbon Co. has a distinctive feature. When an employee completes one half of his course, the company pays 40 per cent of the tuition, when the second half is completed the company shells out another 40 per cent of the tuition, for a total of 80 per cent tuition refund in all. The company also refunds 80 per cent of the registration and laboratory fees, plus 80 per cent of the cost of text books used in each course. About 15 per cent of Cabot's work force have so far participated in this educational partnership, thereby grooming themselves for promotion and for specialized jobs.

Tuition-sharing at the giant Lockheed Aircraft Corp., done on a 50-50 basis, has one unusual and very valuable added feature. The company provides a special counseling service, handled by an advisor from Lockheed's training department. A Lockheed employee who desires to take some courses and who feels that he needs some guidance as to what specific subjects he would be wisest to take, first makes his wishes known to his immediate supervisor. The supervisor in turn

arranges an interview for the worker with the advisor and also provides the advisor with information on the employee's background, his performance record, and an estimate of the worker's training needs and capacities. Then the advisor is ready to offer suggestions and guidance to the worker as to what school courses would be most helpful to him.

Lockheed's all-inclusive educational plan was established in September, 1951, by a committee composed of three representatives of the company and three representatives of the Engineers and Architects Association of Southern California, a professional union which represents Lockheed employees. About 10 per cent of eligible Lockheed workers take courses each year.

Partnership through tuition-sharing is growing rapidly in popularity with companies all over the country. The statement of a spokesman for one company is representative of the opinion of the majority of companies who have instituted their own tuition-aid plans. "We believe the plan has helped to establish and to maintain the feeling that management really wants employees to develop themselves for increasing responsibility," the spokesman declares. "Such an attitude in itself would justify the money expended on the plan. Beyond this, however, is the testimony expressed by our more ambitious young engineers that they have been able to increase their own effectiveness in their regular work."

The Foreman

as a Management Representative



by Howard Newcomb Morse, Member of the Bar
of the Supreme Court of the United States of America

THE TERM "MANAGEMENT REPRESENTATIVE" in law was originated by the late Judge Otto Kerner, Sr. of the United States Court of Appeals for the Seventh Circuit (which comprises the states of Illinois, Indiana and Wisconsin). Judge Kerner first employed the phrase in 1941 in writing the decision of the Court in the New Idea, Inc. case. He used the term again in 1942 in the Aintree Corp. case and once more in 1943 in the Faultless Caster Corp. case, in both of which cases he wrote the opinion of the Court.

If foremen and assistant foremen can be said to be "management representatives," then, under a legal doctrine known as "respondeat superior," their wrongful acts are attributable to their employer and their employer is liable for the consequences of such acts, provided that the acts were committed within the scope of their employment. In order for a foreman or assistant foreman to be considered a "management representative," the absence of actual employer

authority is not of controlling importance. Nor are ineligibility to union membership and the power to hire and fire conditions precedent to employer responsibility for the wrongful acts of supervisory employees.

In the New Idea case counsel for the management argued that the management was not answerable for the wrongful acts of its supervisory employees in the absence of some actual authority. Counsel pointed to the fact that foremen did not have the power to hire and discharge employees and that in addition the assistant foremen were eligible to membership in the American Federation of Labor. The facts in the

case disclosed that while the power to hire and discharge was exercised by the general manager only, he considered the recommendations of foremen and assistant foremen as of "persuasive effect" or of "some bearing" in the matter of discharge.

Foremen were in complete charge

of their departments, planning and directing the work therein. The assistant foremen transmitted orders to the employees directly, helped and instructed them, reported back to the foremen, and substituted for foremen in their absence. Under these facts the Court held the supervisory employees to be "management representatives." Judge Kerner wrote: "... the Company was responsible for the activities of the supervisory employees."

In the Faultless Caster Corp. case Judge Kerner described the legal principle that foremen may be "management representatives" and their acts attributable to the employer (under "respondeat superior") as "well settled."

To Summarize:

The qualifications a foreman need *not* possess and the functions he need *not* perform in order to be a "management representative" are:

- (1) actual employer authority,
- (2) ineligibility for union membership, and
- (3) power to hire and discharge.

On the other hand, the qualifications a foreman need possess and the functions he need perform in order to be a "management representative" are:

- (1) be in complete charge of his department, planning and directing the work therein, and
- (2) power of at least recommendation as to who should be hired or discharged.



HOW MUCH

Should You Pay Employees?



*by Robley D. Stevens,
Management Consultant*

A FOREMAN IN A FACTORY WAS IN TROUBLE, and a figure was the root of it all. It wasn't the kind of a figure you would expect a foreman to worry about, though—this was a mathematical one. Being efficient, however, he hurried over to the factory accountant. He had found himself sadly short in figuring overtime pay. Soon afterwards, he finally mastered the technique in making proper entries in the factory department payroll records.

As a foreman, can you, right now account for your department overtime costs? Do you know how much your own department overtime costs have gone up in the past year? In fact, do you know exactly what your department overtime costs are?

If you don't, you may be paying too much overtime, and in that case, it can be a heavy drag on your factory profits.

One discovery that every factory foreman will make in figuring overtime cost is that overpayments as well as underpayments in the compensation of employees could be a real source of grievances—and even unnecessary governmental investigation.

And yet, your factory may be paying a larger overtime bill than necessary, because as a foreman you may be using an incorrect method of computing overtime pay.

You realize of course, that unit product costs in your factory have gone up while, at the same time, overtime costs have risen.

There are several reasons for having a factory system to reduce or control overtime costs. It acts as a stimulant for further cost-saving studies. Knowing your department overtime costs is your first step toward reducing them, as well as a means of providing a measure of employee work performance.

In your factory, labor costs are often the largest single component of the cost of doing business. Thus, the control of overtime costs in your factory is one of the most important

parts of a plan for economical production. An important phase of any attempt in this direction must be to see that payrolls are handled promptly and that employees in your department are paid accurate amounts through orderly disbursing procedures. This of course, requires accounting routines tailored to the particular needs of your factory and its employees.

Governmental requirements applicable to your factory payrolls have added new and significant complications to accounting for labor and overtime cost. Records must be set up to comply with all requirements.

You can see, therefore, that from the very start, segregating your factory overtime costs should enable your management to turn up areas where savings are possible. For example, you may find that one department's overtime costs are too high; in another department, overtime costs are in line with your policies. At this point, it is possible for the foreman to help with your cost-cutting analysis.

If automatic time clocks are used in your factory, hourly rated employees should be required to punch their own clock upon entering and leaving your factory or their departments of your factory. The foreman, or perhaps a timekeeper, should be held responsible for seeing that there are no irregularities in this procedure. The clock cards of your factory employees form the basis for entries on weekly payrolls.

In your factory it may be necessary to keep time tickets or records which show the number of hours and minutes each direct laborer spends on each production order. This is, of course, absolutely essential in cases where your factory has cost-plus contracts.

If your factory is departmentalized, separate payrolls may be prepared for each department. The departmental totals may then be used to compare with departmental production as a measure of performance. Separate figures should also be made available for posting to departmental accounts. These smaller control figures aid in location of errors.

Regular and overtime hours should be shown separately on your factory payroll forms. In process systems where precomputed overhead rates are not used, the overtime premiums are usually charged to the same accounts, but in a job order system overtime premiums are charged to departmental overhead accounts. It is essential that your factory payroll form or forms used show a complete analysis of each employee's earnings in terms of these factors—hours worked or pieces produced; hourly wage rate or piece rate; gross contractual earnings; itemized deduc-

Author Robley Stevens is a prominent management consultant in Washington D.C. and is a frequent contributor to *MANAGE* on supervisory functions.

tions from earnings; and, net amount to be paid.

Payrolls for your factory salaried employees should usually be kept separate since the calculations and frequency of payment make the procedural requirements simpler, but the general techniques need be little different.

Employees in your factory who receive a higher rate than the statutory minimum of \$1 per hour should be paid at a higher rate on the basis of time and one-half that rate.

No particular accounting method is required. Your factory may pay its employees on an hourly, piece, day or job rate, or salary basis. In any event, keep in mind that wage-hour inspectors are prepared to delve into all your factory accounting methods of figuring overtime.

Basic Terms

You should know and understand that the term "regular rate" is defined as to include *all* remuneration for employment paid to—or on behalf of—your factory employees, *except* payments of seven types specifically described later and commonly referred to as statutory exclusions.

Your factory employees may work any number of hours weekly so long as they are paid overtime, unless, of course, they qualify for the *exemption* status in the capacity of an executive, administrative or professional worker. In that case, obviously, there is no overtime cost problem for your factory.

A workweek is considered to be a regularly recurring period of 168 hours—seven consecutive 24-hour periods—and need not conform to the calendar week and may begin on any day.

Now is a good time to check up on your factory overtime pay practices—not later on when an inspector might audit your payrolls and allege that additional overtime pay may be due your employees.

The best thing to do, of course, is to have your factory accountant audit the payroll books. Or, perhaps, the foreman in your factory may want to use the following quick check-list of common overtime pay methods which I applied as a former federal wage-hour inspector.

1. *Hourly Rate:* If an employee in your factory is employed solely on the basis of a single hourly rate, the hourly rate is his regular rate. For his overtime work he should be paid, in addition to his straight-time earnings, a sum which is simply determined by multiplying one-half the hourly rate by the number of hours worked beyond 40 in the workweek.

For example, a \$1.40 hourly rate should bring, for a factory employee who works say 46 hours, a total weekly wage of \$68.60 (46 hours at \$1.40 plus 6 hours at 70 cents). In short, the employee should be entitled to be paid an amount equal to \$1.40 an hour for 40 hours and \$2.10 an hour for the 6 hours of overtime, or a total of \$68.60.

Can you account for your department's overtime costs? And...are your figures correctly established? Here are some helpful points to remember.

2. *Pieceworker:* If an employee in your factory is employed on a piece-rate basis, his regular hourly rate of pay is computed simply by adding together his total weekly earnings from such piece rates and all other sources, except statutory exclusions. This sum should then be divided by the number of hours worked in the workweek for which such compensation was paid, to yield the pieceworker's regular rate for that week. So, for his overtime work the pieceworker should then be entitled to be paid, in addition to his total weekly earnings, a sum equivalent to one-half this rate of pay multiplied by the number of hours worked in excess of 40 in the week.

3. *Day and Job Rate:* If an employee in your factory is paid a flat sum for a day's work for doing a particular job, without regard to the number of hours worked in the day or at the job, and if he receives no other form of compensation for services, his regular rate should be determined by totaling all the sums received at such day or job rates in his workweek and then by dividing by the total hours actually worked. He should then be entitled to extra half-

time pay at this rate for all hours worked beyond 40 in the week.

4. *Employee Working at Two Rates:* If an employee in your factory in a single workweek works at two or more different types of work for which different basic hourly rates of not less than \$1 an hour have been established, his regular rate for that week is the weighted average of such rates. His total earnings, except statutory exclusions, from all such rates should then be divided by the total number of hours worked at all jobs.

5. *Salary-Employee-General:* If an employee in your factory is employed solely on the basis of a weekly salary, his regular hourly rate of pay, on which time and one-half should be paid, is simply computed by dividing his salary by the number of hours which his salary is intended to cover.

For example, if an employee is hired at a salary say of \$56 and if it is understood that his salary is compensation for a regular workweek of 35 hours, the employee's regular rate of pay is \$56 divided by 35 hours, or \$1.60 per hour, and when he works overtime, he should be entitled to receive \$1.60 for each of the first 35 hours and \$2.40 (one and one-

half times \$1.60) for each hour thereafter.

If any employee is hired on a salary say of \$56 for a 40-hour week, his regular rate is \$1.40 an hour. If his salary is \$56 for a 50-hour week, his regular rate is \$1.12 per hour.

A monthly salary is subject to translation to its equivalent weekly wage simply by multiplying by 12 (number of months) and then dividing by 52 (number of weeks). A semi-monthly salary is also to be translated to its equivalent weekly pay by multiplying by 24 and then dividing by 52.

6. Salaried Employee-Irregular Hours: If an employee in your factory earns, say, \$66 per week with the understanding that his salary is to cover all hours worked—if his hours of work fluctuate from week to week—obviously, his regular rate of pay will vary from week to week and will be the average hourly rate each week.

Suppose, for example, that during the course of four weeks the factory employee works, say, 40, 44, 50, and 47 hours. His regular hourly rate of pay in each of these weeks is approximately \$1.65, \$1.50, \$1.32, and \$1.40, respectively. Since the employee has already received straight-time compensation on a salary basis for all hours worked, only additional half time should be due.

For the first week the employee should be entitled to be paid \$66; for the second week \$69 (\$66 plus

4 hours at 75 cents or 40 hours at \$1.50 plus 4 hours at \$2.25); for the third week \$72.60 (\$66 plus 10 hours at 66 cents or 40 hours at \$1.32 plus 10 hours at \$1.98; for the fourth week approximately \$70.90 (\$66 plus 7 hours at 70 cents or 40 hours at \$1.40 plus 7 hours at \$2.10).

7. Excluded Pay: The following types of payments are considered to be excluded from the "regular rate" as provided for by the so-called statutory exclusions: Sums paid as gifts made at Christmas time or on other special occasions; payments for unworked time due to vacation, holiday, illness, or failure of the employer to provide sufficient work for employee; payments determined at the discretion of the employer and not made by any prior contract, or promise causing employee to expect such payment; contributions to pension, retirement, or old-age; life, accident, or health insurance plans; premiums for work above daily or weekly standards such as 8 hours in a day or 40 in a workweek; premiums for work on Saturdays, Sundays, holidays; regular days of rest, or sixth and seventh days of the workweek; and premiums for work outside of the regular workday and workweek and not as a result of an employment contract or collective-bargaining agreement.

Overtime cost is expensive enough without making it more so by mistakes in figuring. The old stumbling block is still tripping up many foremen.

FOR WIVES ONLY

Care and Feeding of Supervisors

by Lois Teach Paul, a supervisor's wife

"His production is off again—bet he and his old lady are at it." (big laugh here)—or is it? It happens too often to be funny, and if your man is a supervisor—it's even less funny. It is obvious to those about him when a man's efficiency is cut because he is worried. He cannot operate at his best, or help others to develop their efficiency when he is preoccupied with a quarrel you had at breakfast, or if he is dead on his feet from lack of sleep.

The attitude of the supervisor figures largely in the morale of the department under his direction. His attitude toward others depends perhaps on you more than you realize. A supervisor is in the peculiar position of being scrutinized from all sides. When he was a regular worker, he was responsible to the foreman for his work. He beefed at schedules and time study too. The language he used or the tone of his voice didn't matter much as long as he was a good worker. When he becomes a foreman or supervisor, his work is no longer only with materials; now he works with intangibles. He begins to get the beefs, and he must learn to take them objectively. He gets the pressure from the department head. Part of the job that wasn't explained to him (or you) was that everyone feels he has the right to criticize the supervisor.

Executives who choose supervisory

personnel are increasingly taking into consideration the qualities of the "whole man," not just his 9-5 performance. They realize that the development of any man's capabilities and potentials depends upon the attitudes in his home to a measurable degree. The candidate's wife and children and the atmosphere of his home life are considered important enough that his family's habits are investigated and his wife is interviewed.

Lets face it, girls, we "old ladies," in the care and feeding of our supervisors, can make or break the man; help him grow or prescribe his dimensions. Our job is to manage our man's other life so that when he sags under criticism or pressure, we can prove to be his rejuvenation.

"Life With a Wife"?

The work day begins and we start him on his way, freshly shaven, neatly dressed and rearing to go. He's had a good breakfast (we hope) and he's confident in himself, his job and his household. Eight hours later he returns—Wha' happen—he's beat!

Maybe he isn't dragging like a hound dog after a hunt, but you can see his shoulders sagging under the crumpled shirt and lines of fatigue and tension seam his face. This is the most intimate moment of truth in our work-a-day family relationship. When a tired man returns home his defenses are down and he is most vulnerable to the influences of his home. That tired nervous system, already frayed, tightens into rebellion when the door opens on disorder, noise or a recital of peevish complaints. We can do more to help our husbands grow in stability at this homecoming hour than at any other time.

This sounds wonderful, but who can be serene all the time? No one can, least of all us mothers, and Daddy understands, but if we hold this truth to be self-evident, we can keep trying to make serenity a habit. We will find it becomes easier each day. After supper, tell him about YOUR DAY along with dessert. It doesn't seem so bad then and he will be interested in discussing the household and family affairs. You need his comfort and encouragement too.

Feeding Habits of Supervisors—

"A good cook means a happy man" says an old Pennsylvania Dutch proverb. We will pursue this point no further. We leave you to the training you learned in your mother's kitchen, or to the tender care of Betty Crocker, with only one word of warning—don't get carried away! Counting calories and checking pro-

tein intake is a sensible precaution. This importance of such a precaution increases in ratio to the number of birthday cakes you have baked for him. Heart and blood pressure have ways of complaining if a man's eating habits are not sound.

He Needs His Rest

Plenty of sleep, rest and relaxation are essential to the health of the male animal. Such recreation as do-it-yourself projects, active and spectator sports, social service, the arts, reading or yoga will at once challenge and relax him. Perhaps you share a common interest in your family and do things together, but do not insist on "all hands" participation. Maybe your fella is one who needs time to be alone. It's no reflection on you. If this is his need, see that he gets it.

In his work, if your husband supervises men, you can help him sharpen his abilities to manage himself and his men. Listen to him, encourage him to sound off to you first and try out his ideas for size. Two minds working together can strengthen a plan's good points and spot its weaknesses. Such sessions with you will increase your man's confidence in himself.

If your husband supervises women, you are the key to his success. You can help him to an appreciation of the special talents and traits women bring to business. You can increase his ability to understand the "eternal enigma" and keep his sense

of humor as far as women are concerned. You will need to keep your sense of humor too, for any man who works with women works with emotional overtones. When a girl spends eight hours a day with a happy, competent, neat, well-turned boss, it is easy to love him a little. Don't let it throw you. We know who it is that sees to it that he's that kind of a boss. In the morning when that rumpled heap in the middle of your bed growls from unshaven jowls, kiss the back of his neck, so vulnerable without the white collar, and share the appreciation of the girls at the office. It's your neatly ironed shirts, hot coffee and loving care that turn this boy, so intimately yours, into that happy boss one hour from now.

There need be no competition, but remember, he sees those office girls at their best. Suppose you aren't a beauty (who is?) but what do you do with what you have? Shades of Aunt Prudie—the truth still remains that neatness, cleanliness and moderation still win in the polls as the most desirable traits in a woman's appearance. This fact doesn't sell skin creams, but it rates with men. In women, every age has its charm, and real beauty starts on the inside, so take them as they come—the years I mean.

If your family's scheme-of-things includes people from your husband's office, then you are in a position to bring into play the after-hours influence in the other men's lives. The supervisor and his fellow workers'

efficiency as a unit can be affected by the attitude of their wives toward them and each other. Jealousy or some unwise behavior at a party can strain office relations. It is difficult to be objective about people with whom you have become emotionally involved.

Some husbands prefer to keep their business and social lives separated, but his social activities still influence your husband's business behavior. This opinion maintains that favoritism and undue influence on the job sometimes occurs when wives get chummy, or business associates spend a great deal of leisure time together. This seems a valid caution to bear in mind in any business-social relationship. Such a code clearly circumscribes a wife's position, but you can still count for a lot in community activities and thereby add to your husband's reputation in your community.

But the cardinal rule in the care of your supervisor is, just love him. Love him with laughter and the eagerness of a pliable nature. Then it doesn't matter too much whether you strictly measure up at all points—you'll do! Love him and watch him grow and keep up with him so you'll be alongside him when he needs you. Your husband's measure as a supervisor is his measure as a man, and that is your particular department. Help your man develop to his fullest stature—tall in his ambition, straight in his moral fibre and true in his perspective.

ACT ON FACT

by James Black

"I can't take it, Boss! That place is full of ammonia gas. The company doctor has given me medical clearance and told me not to work in a contaminated area."

"Okay, Fenton," replied Foreman Roger Harrison. "I'll assign you to another job while I check the area."

This conversation, although neither Fenton nor his supervisor realized it at the time, triggered a series of events that eventually led to the employee's suspension on the charge of insubordination. Here is how it happened.

Employee Harold Fenton was an electrician in the maintenance department of a chemical company. He had twelve years seniority, and his service record was satisfactory. His supervisor (Roger Harrison) was a conscientious, hard-working representative of management. Naturally, both of these names are fictitious, but the incident which involved the two men in a dispute is very real.

Health Must Be Protected

From your own experience as a supervisor, you know that a decision

which could conceivably affect the health or welfare of an employee cannot be hastily made. No responsible foreman would ask an employee to carry out an order that might have serious consequences to him physically. Foreman Harrison understood this. He realized that the employee's complaint, if based on fact, was justified. He gave him another assignment immediately and investigated his story.

Harrison's first move was to check the supposedly "contaminated" area. When he arrived there he found the rest of Fenton's crew working normally. He questioned them and discovered that they had not noticed the presence of ammonia. Still, the union contract read, "Any employee who feels discomfort from ammonia fumes should leave the area so affected until the situation has been corrected."

The supervisor thought, "Fenton was well within his rights. Yet, it is curious that not one of the other men was bothered by the ammonia. But Fenton told me he had medical

clearance freeing him from the obligation of working in this kind of area. I had better check his personnel record."

A review of the employee's personnel folder revealed no such medical clearance. Fenton apparently had not told the exact truth in this matter. But Harrison did not act hastily. He reasoned, "Perhaps the medical department gave the employee these instructions orally, but as yet has not entered them on the record. After all, Fenton is a good man. I'll talk to our medical people."

Foreman Harrison returned to his department, but before he could call the plant doctor to discuss Fenton's case, that individual returned for further instructions.

"I have completed the work you gave me. Anything else?"

"Good," replied Harrison. "By the way, I checked that area. The other men said they had not been troubled by ammonia fumes. I wonder how they happened to bother you?"

"There was a strong smell of ammonia, Mr. Harrison. I don't know whether it was a sudden waft of gas or not. At any rate, it was enough for me. I got out—fast."

"Well, you can return now. I have inspected the location. It's free from any sort of contamination."

"I'm sorry, Boss, but I won't work there. That crew is installing a new conduit. It's an area where ammonia and carbon dioxide are pumped into an autoclave under pressure. I won't do a job in that area until a chemical

test is made. The union contract gives me this right."

Foreman Harrison was surprised, but he kept control of his temper.

"You are mistaken, Fenton," he said calmly. "The contract says that you may leave an area if you feel discomfort from ammonia fumes. Nor would we ask you to return there until the conditions that caused your discomfort were corrected. But since the union agreement states that your discomfort is the only test for leaving such an area, there is no reason for us to conduct a chemical examination. Furthermore, I have told you that the condition no longer exists. I want you to go back and join your crew."

A Case of Insubordination

Fenton was stubborn.

"I'm not going back," he repeated. "Any other work is okay, but not there."

"See here, Fenton," said his supervisor, "you can't pick your jobs. You are a maintenance man. You have to work the regular assignments of the department like everyone else. I'll give you a gas mask and a respirator if you want them. They will

The PROBLEM CORNER has been lost . . . in a corner somewhere, but will appear next month with new problems and new solutions. Deadline for submitting new problems and solutions is June 25.

protect you from physical harm. But you don't really need them. The other men have told me there is no contamination where they are working."

"I am not working in that area. Furthermore, I will not use a gas mask or a respirator. They are uncomfortable. And when you are using them it is difficult to do a job."

"All right, Fenton," said Harrison, after all attempts to reason with the employee had failed, "I can't make you go back to your job. But I must point out to you that this is insubordination. You are refusing to carry out a reasonable order. If you insist on taking this course, you give me no alternative but to ask you to leave the plant. It's up to you."

Employee Fenton punched out and went home. His penalty was a three-day suspension. He filed a grievance protesting his disciplinary lay-off. It read, "On March 3 I was told to go home for refusing to work in a contaminated area. According to the safety rules of the company I was perfectly right in my position. I requested work elsewhere. I was told that I would either have to go back to the contaminated area or go home. I want this disciplinary suspension removed from my record, and I think I am entitled to back pay for all time lost as a result of it."

The Arguments at Arbitration

The company backed its supervisor, and Employee Fenton's grievance was denied. He appealed it to

arbitration, where the arguments were eventually heard.

In defense of the employee, the union contended:

1. The company violated the safety rules in suspending Fenton.

2. The safety rules state that an employee who feels discomfort in an area may retire from it until the cause is corrected.

3. Employee Fenton maintains that the cause was not corrected.

4. The suspension of Fenton was in direct violation of his right under the agreement.

- The company countered:

1. We observed all safety rules.

2. We could not correct a cause that did not exist.

3. No other member of Fenton's crew noticed the ammonia fumes.

4. Fenton was given every opportunity to return to his job—even offered protective devices which he refused to accept.

5. Fenton was actually "striking" when he would not obey his supervisor's legitimate orders.

6. The company was justified in suspending him.

The issue was crystal clear. Did the company violate the contract and unjustly send Employee Fenton home and thus deprive him of his income for three days?

The Arbitrator's Opinion

Here is what the arbitrator said.

"The resolution of this dispute becomes self-evident when we list the

facts as told to us by Fenton himself. He has said:

(1) He worked in the area for a time.

(2) He smelled a strong odor of ammonia.

(3) He did not know whether or not the ammonia smell was a sudden passing gust of wind.

(4) He refused to return to his work location, even after his supervisor told him it was uncontaminated; therefore he could not know from his own knowledge whether it was free of fumes or not.

(5) No other employee was bothered by alleged ammonia fumes.

(6) Fenton refused to use standard safety equipment.

(7) His statement that he had medical clearance freeing him from the necessity of working in such areas could not be substantiated.

"On the basis of these facts I can only conclude that Employee Fenton was right in leaving the area when he was disturbed by ammonia fumes, whether they were a passing waft or whether they were purely imaginary. However, he was completely wrong in disobeying his foreman's order to rejoin his crew. He had no way of knowing if the area was contaminated or not.

"The rules of the union agreement permit an employee to leave an area in which he suffers discomfort because of the smell of ammonia, and to remain away from it until the area is clear of this gas. However, Employee Fenton made no effort to

determine whether the condition of which he complained still existed. The presence of the other members of his crew in this area, all working without any difficulties, indicates that the location was safe.

"Employee Fenton has stated that he based his refusal to carry out his superior's orders on the grounds that no chemical tests were conducted to determine if the area were free from the presence of ammonia. It was not his right to demand such proof. The contract rules make 'employee discomfort' the only standard for leaving or staying in a work location. Therefore, when Fenton was directed to return to his job he should have done so. Had he found that the smell of ammonia still remained, he would have been within his rights to leave the area again.

"However, Fenton chose to disobey his supervisor, and his suspension is entirely justified. When he took the job he was well aware he was working in an ammonia plant, and that various quantities of ammonia were constantly around. In the situation out of which came this grievance, he frankly admits that he did not know whether or not the area was contaminated when he balked at obeying his supervisor's order, and obviously he was not interested in finding out. When an employee is insubordinate, a supervisor has no choice but to send him home. In doing so he in no way violates a union agreement.

"This grievance is denied."

An Example of Foremanship

What caused Fenton to put himself on such a spot is difficult to understand. He was an experienced employee with a good record. That probably accounts for the fact that his penalty for refusing to obey his supervisor's orders was comparatively lenient. Provable insubordination can mean instant discharge.

Perhaps Fenton was in a bad humor. Perhaps he had pushed his arguments so far he believed he could not retreat without losing face. However, this is only speculation. We do not know what his motivations were, what caused his attitude.

However, from the record we do know that Supervisor Harrison handled a difficult situation extremely well and rates an "A plus" for foremanship. The charge of insubordination is a tricky one to make stick, and Fenton's own testimony is proof of the reasonableness and fairness of his superior.

Let's review Mr. Harrison's actions.

1. When Employee Fenton complained of the smell of ammonia Harrison assigned him to another job while he investigated.

2. When Harrison inspected the work area he found that the other members of Fenton's crew were working normally. On this evidence alone he might have thought himself justified in ordering the employee

to return to his crew. But he continued the investigation.

3. Harrison found that personnel records failed to back up Fenton's claim that he had medical clearance freeing him from the responsibility of working in certain areas of the plant. The discovery that the employee had not told him the exact truth might well have annoyed this supervisor. But Mr. Harrison kept his head and did not "fly off the handle."

4. When Fenton reported back to his supervisor for a further assignment, the latter did not accuse him of not telling the truth about his medical clearance. Instead he simply asked him to rejoin his crew.

5. When Fenton refused to obey orders, the supervisor reasoned with him, pointing out the consequences of insubordination. He offered to give the employee protective safety devices. They were not accepted.

6. Finally, Supervisor Harrison took into consideration Fenton's past record in fixing the penalty. A three-day suspension was the punishment; certainly it was not too severe, considering the offense.

In short, Supervisor Harrison knew his job. He realized that discipline is education and intended to help an employee to become again a useful member of a cooperative work group. His action was taken to restore discipline, not to punish for the sake of punishment.

This case is based on one described in the Labor Relations Reporter. It has been altered somewhat to illustrate certain principles of foremanship.



BOOKS

MANAGER SELECTION, EDUCATION and TRAINING—by Willard E. Bennett. McGraw-Hill, New York. (210 pp), \$6.00.

The development of management personnel at every level . . . from first-line supervisors to top executives, is the objective of this newly published book. By an authority in the field, the book tells how to set up the proper climate and conditions to increase the supply and improve the performance of managers for any type of company, department or office. The three essential stages . . . selection, background education, and experience training . . . are emphasized, and methods of incorporating each stage into a well-rounded, organized program also are presented. Specific instruction on the disciplined use of training tools and techniques is given . . . plus a wealth of practices and procedures to be used or easily adapted to fit the particular needs of any organization.

• • •

HOW TO TAKE A CASE BEFORE THE NATIONAL LABOR RELATIONS BOARD—by Louis G. Silverberg, Bureau of National Affairs, Inc. (386 pp) \$7.85.

This volume is devoted to a description of procedure before the NLRB. It explains the jurisdiction and machinery of the Board—tells how and why an election is conducted, how to remedy unfair labor practices—shows where to appeal and how to petition—details what the Board looks for in investigations. Here's a book that will serve as a practical guide for everyone who does business with the Board or who wants information on the Board's procedures. It places at the user's fingertips vital details that would otherwise require hours of research.

• • •

WORK MEASUREMENT—by Virgil H. Rotroff, Reinhold Publishing Corp., New York (203 pp), \$4.85.

Here is a clear, thorough coverage of work measurement to acquaint management with its benefits and procedures. The author stresses the need for better planning, and tells how this is brought about. This latter includes the setting of work standards, and how to use and maintain them. The book also presents essential information on all phases of a work measurement program—why work is measured; what work measurement means to company personnel; the standard data approach; economics of work measurement; the consultant's role; work standards "don'ts;" and labor relations and work measurement.

REPORT TO THE MEMBERSHIP (Continued from page 2)

employed and say that greater productivity will only increase their numbers by putting more people out of work.

But this is not true. By the 1960's we will have the start of a tremendous increase in the buying force of this country. Just to meet the needs of our own growing population we will have to increase our productivity. And the increase must be accomplished quickly—now—before the rush hits us.

You can see that we're working to fill a double set of needs here. Both are important to all of us. Indeed, they are important to the very existence of this country, its democratic scheme, and to all its people.

We are at the crucial point right now. Russia's challenge in the cold war is real. It is our turn to provide not only statistics but real and tangible weapons for America's spokesmen to use in their dealings with other nations.

This is important. Important not only in direct competition with Russia for supremacy of one over the other, but important in maintaining our standing with the other nations of the world. Bit by bit, Soviet Russia has spread her dominance and has scooped up, embraced or smothered smaller and less productive nations, weakening the position of the United States, England and France in the eyes of others.

It is time to take a stand. Time to join the fight. And we can do this best by using our best leadership techniques to turn out the finest products possible at the quickest rate possible while still maintaining our costs at a competitive level.

Let's win this cold war—it's *our* responsibility now.

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- 10 Years:** Solar Management Club, San Diego, Calif.
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- 15 Years:** Dubuque Management Club, Dubuque, Iowa.
10 Years: Solar Management Club, Des Moines, Iowa.
5 Years: Morris Bean Management Club, Yellow Springs, Ohio.

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J. K. Thomson is shown here at his work in one of the great steel mills of this country. Like thousands of his fellow craftsmen, Mr. Thomson is making regular use of his company Payroll Savings Plan to contribute to the Peace Power of his country.



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